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THE WRITINGS

OF

ALBERT GALLATIN.

EDITED BY

HENRY ADAMS.

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VOLUME II.

1328

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WRITINGS OF GALLATIN.

LETTERS, ETC.

GALLATIN TO MONROE.

No. 1.

PARIS, 12th July, 1816.

SIR,— . . . I arrived here on the 9th instant, and on the ensuing day communicated my arrival to the Duke de Richelieu, and requested an interview with him. He answered the same evening, and appointed yesterday at twelve o'clock, when I had a conversation of half an hour with him. This was, of course, very general, perfectly civil, and even cordial on his part, and accompanied with the usual expressions of the friendly disposition of the French government towards the United States. He spoke with much approbation of the principles adopted in our late commercial convention with Great Britain, and, on my observing that our commercial relations with France had already much increased, and that the principal obstacle to their further extension arose principally from the regulations of this government, he said that he regretted the fiscal spirit which still characterized its measures, and which the pressure of the times rendered it difficult at once to correct. In answer to his inquiry whether we were generally on good terms with England, I told him that the two governments were on perfectly good terms, but that some degree of irritation arising from the late state of war still existed with the people on both sides, and that to that cause should be ascribed much of what appeared in our public journals. He said that he knew that not much importance ought to be attached to such publications; that otherwise they might have some reason to complain, which he did not, of the manner in which the present government of France was treated in many of

our newspapers; yet that it was unintelligible to him how the most democratic papers in England and in the United States could defend or regret the man who had crushed liberty everywhere. I assured him that, so far as related to America, hatred of Great Britain or apprehension of her enormous power was the true cause of whatever might, in those papers, seem to be written in favor of Bonaparte, who had been considered as the great and formidable enemy of that country. He said that he wished that any erroneous opinions which might exist with respect to the administration of the reigning family here might be corrected; that ex-kings and other emigrants of the same description who had lately removed to the United States would probably try to nourish or create unfavorable prejudices; that he knew that I would see and judge with impartiality, and had no doubt that I would soon be satisfied that they were no oppressors, and intended to govern with the utmost mildness.

GALLATIN TO MONROE.

No. 2.

PARIS, 6th August, 1816.

SIR,—You were informed by my despatch No. 1 of my arrival in this city on the 9th of last month. On the 11th I had the audience from the King, to whom I delivered my letters of credence. The reception, both from him and from the Princes, was what is called gracious, and accompanied with the usual expressions of most friendly disposition towards the United States.

My abode here has been too short to enable me to form any opinion of the prospect we have of succeeding in obtaining the indemnities so justly due to our citizens, and I do not wish to enter into the discussion until I shall have ascertained as far as practicable the disposition of this government in that respect. Whatever this may be, the situation of their finances will be a formidable obstacle in our way. That there will be a great deficit this and every succeeding year until the foreign contributions are discharged is notorious. The precise amount of that

deficit for this year is not so well known, but, from a source entitled to confidence, has been stated to me as exceeding three hundred and fifty millions of francs. It is not believed that any practical increase of taxes can produce more than one hundred millions. The residue, or 250 millions a year for five years, must therefore remain unpaid, or be provided for by creating new stock. That situation would, indeed, be deplorable in a country where there is no public credit, and where the Treasury cannot raise money in any other manner than by selling their 5 per cent. stock at the market rate, which does not now exceed 58 per cent. I still hope that the statement is exaggerated; but the reliance which seems to be placed on the forbearance of the allied powers confirms the opinion that the internal resources are not sufficient to meet the foreign demands.

It has been suggested to me that some classes of claims, particularly that of vessels burnt at sea, would, if pressed by themselves, have a better chance of being admitted; but, unless otherwise instructed, I will not pursue a course which might injure the general mass of our claims. . . .

GALLATIN TO MADISON.

PARIS, 12th August, 1816.

DEAR SIR,—The month I have already spent in Paris has been necessarily devoted in a great degree to my private arrangements, and I am only within two days settled in my house.

Various considerations induce me to think that it will be proper to open soon the discussion of the subject of indemnities with this government; and I believe that they expect it. In making my compliments to the King, I took care, alluding to our former intimate alliance with France, to say that it could not have been disturbed but during those times when moral and political obligations were overthrown and the law of nations (le droit des gens) trampled upon; that therefore the President saw, in the event which had brought back the Bourbons to the

throne of France, a pledge of the renewal of those friendly connections, &c.

* * * * * * * * * *

The busts you wish are not amongst the most popular, and must be sought for; but I hope to obtain them so as to send them before this autumn.

* * * * * * * * * *

The crop, which, on account of incessant rains, was in danger, looks now fine, and will, it is hoped, be saved. It was a subject of great alarm. They said that the people were not *healthy* enough to bear starving.

I met La Fayette at Mr. Parker's seat, fifteen miles from Paris. Though not forbidden, he does not think proper to come here. He is in good health, and anxious to hear the result of his New Orleans location. I have seen Humboldt and Say but once, and a single moment, and had not time to pay them the compliments in your behalf.

The English I have seen here do not seem to put much confidence in Lord Exmouth's expedition against the Algerines. I have not heard a single word about or from our squadron, the arrival of the Washington at Gibraltar only excepted. Nor have I any account from Shaler or from Erving. Not a single hint has been dropped respecting our differences with Spain. It seems to me as if none of the powers had made up their mind on the question of the independence of the Spanish colonies.

With sincere attachment and great respect, your obedient servant.

I have a fine hotel, for which, furnished (but without plate, linen, china, kitchen furniture, etc.), I give 13,000 francs a year.

JEFFERSON TO GALLATIN.

MONTICELLO, September 8, 1816.

DEAR SIR,—The jealousy of the European governments rendering it unsafe to pass letters through their post-offices, I

am obliged to borrow the protection of your cover to procure a safe passage for the enclosed letter to Madame de Staël, and to ask the favor of you to have it delivered at the hotel of M. de Lessert without passing through the post-office.

In your answer of June 7 to mine of May 18, you mentioned that you did not understand to what proceeding of Congress I alluded as likely to produce a removal of most of the members, and that by a spontaneous movement of the people, unsuggested by the newspapers, which had been silent on it. I alluded to the law giving themselves 1500 D. a year. There has never been an instance before of so unanimous an opinion of the people, and that through every State of the Union. A very few members of the first order of merit in the House will be re-elected, such as R. M. Johnson, who has been re-elected, Clay, of Kentucky, by a small majority, and a few others. But the almost entire mass will go out, not only those who supported the law or voted for it, or skulked from the vote, but those who voted against it or opposed it actively, if they took the money; and the examples of refusals to take it were very few. The next Congress, then, Federal as well as Republican, will be almost wholly of new members.

We have had the most extraordinary year of drought and cold ever known in the history of America. In June, instead of $3\frac{3}{4}$ inches, our average of rain for that month, we had only $\frac{1}{3}$ of an inch; in August, instead of $9\frac{1}{6}$ inches our average, we had only $\frac{8}{10}$ of an inch; and it still continues. The summer, too, has been as cold as a moderate winter. In every State north of this there has been frost in every month of the year; in this State we had none in June and July, but those of August killed much corn over the mountains. The crop of corn through the Atlantic States will probably be less than one-third of an ordinary one, that of tobacco still less, and of mean quality. The crop of wheat was middling in quantity, but excellent in quality. But every species of bread grain taken together will not be sufficient for the subsistence of the inhabitants, and the exportation of flour, already begun by the indebted and the improvident, to whatsoever degree it may be carried, will be exactly so much taken from the mouths of our own citizens. My anxieties on this subject are the greater,

because I remember the deaths which the drought of 1755 *in Virginia* produced from the want of food.

There will not be the smallest opposition to the election of Monroe and Tompkins, the Republicans being undivided and the Federalists desperate. The Hartford Convention and peace of Ghent have nearly annihilated them.

Our State is becoming clamorous for a convention and amendment of their constitution, and I believe will obtain it. It was the first constitution formed in the United States, and of course the most imperfect. The other States improved in theirs in proportion as new precedents were added, and most of them have since amended. We have entered on a liberal plan of internal improvements, and the universal approbation of it will encourage and insure its prosecution. I recollect nothing else domestic worth noting to you, and therefore place here my respectful and affectionate salutations.

GALLATIN TO MONROE.

No. 4.

PARIS, 12th September, 1816.

SIR,—I had, at my request, an interview, on the 30th ultimo, with the Duke of Richelieu on the subject of the indemnities due to American citizens for property wrested from them under the administration of the late Emperor of France. I stated that the demand for indemnity had been incessantly pressed while he remained in power, and towards the latter end of it with some prospect of obtaining compensation; that the time which had necessarily elapsed before Mr. Crawford could be accredited to the King, and afterwards Prince Talleyrand's departure for Vienna and Mr. Crawford's return to the United States, had heretofore prevented a renewal of the application to his Majesty's government, and that it was now made with perfect confidence in the probity which distinguished that government, and in the full expectation of obtaining from it that justice to which we were so indisputably entitled.

The Duke answered that, foreseeing the object of the conference which I had asked, he had already directed the papers

relative to the subject to be collected and laid before him; that he believed that we would not be ultimately disappointed in our expectations, but that he hoped that, in the present situation of France, with which I must be well acquainted, we were not going to fill up the measure of the embarrassment under which she now labored.

I replied that, having been most shamefully plundered to an immense amount, and having already experienced so many vexatious and evasive delays, the government of the United States must necessarily press the payment of claims which could never be abandoned, yet that it was not its wish unnecessarily to increase the difficulties of France; that it was, on the contrary, evidently the interest of the United States that she should be independent and powerful; and I requested him to explain precisely what he meant by our filling up the measure of her embarrassments. By demanding, he answered, immediate payment of what is due to you. On this I observed that the first point was the recognition of our claims, and that, this once done, the time and mode of payment would be the subject of subsequent consideration, and must be arranged on principles of mutual accommodation.

He then said that as soon as he had digested the papers connected with the subject he would lay it before the King and the council of ministers, and then invite me to another conference and communicate the result of their deliberations. Alluding to his acknowledgment that the government of France wanted to gain time, I requested him not to make me experience any unnecessary delay with respect to their determination on the main question. He promised me that he would not, and ended the conference by saying that he would, on his part, hope that if we came to an agreement as to the principles I would not object to the adoption of such forms in the liquidation of the claims as would give them the time they absolutely wanted. I did not think proper to observe that their giving stock in payment would remove the difficulty, because, although they have nothing else to give, it is desirable that its acceptance, instead of being proposed by us, should be considered as a concession on our part; and because the sale of stock being their principal resource for

every extraordinary expenditure, their objection applies to an immediate issue sufficient to pay us.

I have not heard from the Duke since that conference, and the Ministry must have been principally occupied with the deliberations connected with the dissolution of the legislative body and the new elections. It had been my intention not to write to you until our next interview should have enabled me to form some correct opinion of what we have to expect; but General Bernard's departure presented an opportunity which could not be omitted.

It has appeared to me inexpedient to enter on the subject of the commercial relations of the two countries till the result of our demand for indemnity shall have been ascertained, as this government might be induced to try to get rid of the last subject by making concessions with respect to the other. It may be added that in practice our shipping interest suffers no inconvenience so far as relates to the intercourse with France itself.

I have the honor to be, very respectfully, sir, your obedient servant.

GALLATIN TO MONROE.

No. 6.

PARIS, 25th September, 1816.

SIR,—Not having heard from the Duke de Richelieu since our conference of the 30th ult., I addressed him this morning a note, copy of which is enclosed. He had been absent a few days, but is expected back this day.

You will see in the Moniteurs which accompany this the rumors respecting Mr. Pinkney's negotiation, and the various speculations which it has occasioned. I have not heard from him, and know nothing more on the subject than what may be inferred from the public papers.

I received yesterday, by a Dutch courier, a letter from Mr. Erving, at Madrid, dated 11th instant, together with despatches for the Department of State, which are herewith transmitted.

Various circumstances induce me to believe that the prospect of succeeding in our application for indemnities is less favorable

than might have been anticipated. It is not improbable that some understanding on the subject is taking place between this government and that of Naples; and others against whom we have similar claims may be disposed to encourage a rejection of our demands in both places. The tenor of the next conference will point out the most eligible course to be pursued. It was, at all events, necessary to place on record the fact that application had been made, as the long delay in renewing it to the existing government has already had an unfavorable appearance.

Much sensibility is, on every occasion, expressed on the subject of the hostility to the government of France, apparent in most of the American newspapers friendly to our Administration. This is not brought as an official ground of complaint, the extent of the liberty of our press being understood, but is stated as an evidence of unfriendly disposition. I mention this because the several paragraphs in the Moniteur, though not entirely, may in some degree be considered as a kind of retaliation for certain pieces in the National Intelligencer. Of the general sensibility on such subjects I had lately a direct proof, the King and one of the Princes having, on the last Court, cordially congratulated the minister of Holland on the project of law recommended to States-General by the King of the Netherlands. That measure was, his Majesty said, honorable to the King and beneficial to the repose of Europe.

I enclose a copy of Chateaubriand's suppressed work. Nobody is the dupe of the pretended concern for liberty with which he has covered his attack against the Ministry. Everybody knows that the party of whom he is the organ want neither charter nor constitutional provisions, that their object is power, and the restoration of the privileges and property of which the revolution has deprived them. The offensive sentence which caused his dismissal will be found in the postscriptum. The elections of deputies by the electoral bodies will be more contested than has been heretofore usual. The Ultras differ from other former oppositions in that they dare to avow themselves and to exert their influence. The general calculation is that they will succeed in returning about one-third of the deputies.

I have the honor, &c.

GALLATIN TO MADISON.

PARIS, 14th September, 1816.

DEAR SIR,—Amongst the offers of persons wishing to go to the United States and to enter their service, one only has appeared to me worthy of attention and to deserve to be submitted to the decision of government. Mr. Le Sueur, whose letter explaining his views is enclosed, is a civil engineer of reputation, who has executed with much correctness various extensive trigonometrical operations, and whose services, in addition to those of Mr. Hassler, with whom in point of science and practice he may be assimilated, might assist and hasten our trigonometrical survey of the coast of the United States.

That this should be executed in a manner equal to the best modern European operations is important both with respect to the object itself and as connected with the scientific character of the country. That Mr. Le Sueur is equal to a task of that kind is sufficiently proven by the testimonies of the dépôt de la guerre and of three of the best judges, all three members of the National Institute (Biot, Ramond, and Delambre), whose original certificates I have seen, and on the truth of which you may rely. The appropriation for carrying on the survey of the coast is general, and you may employ what agents you please. Be good enough to favor me with your determination, as I must answer Mr. Le Sueur. He has also a collection of instruments, which he will sell to government in whole or in part (if it is convenient to purchase it), but only in case he is employed. Perhaps we might have two sets of engineers and surveyors, beginning at a given point, say the entrance of the Delaware, and one set extending the survey north, whilst the other went south; by which means the whole might be executed within five instead of ten years.

I have seen La Fayette but once, as he still remains at La Grange, where he presses me to pay him a visit, which my having opened the subject of indemnity prevents at this time. The crops cannot be very good, on account of the perpetual rains, but will still turn out better than had been expected. Beyond

what you see, you can hardly ascertain the truth even on that point, as the reports vary according to the political feelings of the travellers.

We are fixed very comfortably, though expensively. Servants are, I think, worse and dearer than at Washington, and the cheating and plundering by them and almost every one else make, in my opinion, this place still dearer than London.

We are all in good health, Mrs. G. already excessively tired of Paris. We beg to be affectionately remembered to Mrs. Madison, and I remain, with sincere respect and attachment,

Ever yours.

CRAWFORD TO GALLATIN.

WASHINGTON, 9th October, 1816.

MY DEAR SIR,—The arrival of Mr. Vail excited a hope that I should receive a letter from you. The disappointment was not great, as the present state of France presents nothing inviting to a correspondent who does not indulge in conjecture nor delight to sport in the regions of imagination.

At home we have cause of exultation as well as of regret. In many respects the nation was never more prosperous. Domestic articles of almost every description bring the highest prices, and many of the articles of foreign growth or manufacture are sold at first cost.

The crops have generally been bad from one end of the continent to the other, especially of Indian corn. Those of wheat, in the Middle States, were abundant and of superior quality. In the two Carolinas, a large emigration must take place for the purpose of finding subsistence. In Georgia the corn crops are good, but the cotton will be short, as no rain fell in the month of August.

Our political horizon has been overhung with one continued storm, raised by the Compensation Bill. In most cases, especially in the West and South, the opposers of the bill have been confounded with its supporters by the public indignation. In Kentucky, Clay, Johnson, and Desha have been re-elected. The latter voted against the bill, and the two first owe their success

to the political character of their opponents. Mr. Pope was the competitor of Mr. Clay, and was beaten about 650 votes. Colonel Johnson was elected by a larger majority.

In the State of Georgia it is supposed that the whole representation has been turned out, upon the old maxim that the receiver is as bad as the thief. They voted against the bill, but received the salary.

Bibb, whose election takes place next month, it is believed has no chance of success. In Tennessee, their county meetings have requested the Senators and Representatives to resign, and I have been denounced and burnt in effigy there on account of the Cherokee convention, and in the Mississippi Territory for being disposed to remove the intruders from the public lands. The bad temper of the first will, I suppose, evaporate, as two treaties have just been made with the Cherokees and Chickasaws, which connected the settlements of Tennessee with the Gulf of Florida. This cession embraces all the western part of the bend of Tennessee, and all south of that river embraced by a line running up Caney Creek to its head; then due south to Gaines's road; thence along that road to the cotton-gin port on the Tombigby River, and down that river to the Choctaw line, on the west; and on the east by a line drawn due south from the Tennessee River, where it is intersected by the eastern line of Madison County, until it is intersected by a line drawn due west from the Ten Islands in the Coosa, a little above Fort Strother.

This cession, which the Tennessee people contended was ceded by Jackson's treaty, in many points of view is the most important which has been obtained for many years. The only objection which I have to it, and to Jackson's treaty itself, is that the contract with Georgia has been most scandalously violated. By that compact the United States bound itself to extinguish the Indian title to the whole of the territory retained by the State "as soon as practicable." As Jackson's treaty was declared, it was just as easy to have obtained a cession of all the Creek claims within the limits of Georgia as that which was obtained. The cession demanded and yielded will prevent a cession to Georgia for a century at least.

We have just obtained an extension of the Illinois purchase to the shores of Lake Michigan, embracing twenty miles of coast. This cession has been obtained by the relinquishment of all that part of the Illinois cession lying north of the northern line of Ohio when extended to the Mississippi.

A large amount of presents and an annuity of a thousand dollars a year in goods for twelve years have also been given to obtain the relinquishment of the claims of those tribes to that part of the Illinois purchase lying south of the said line. This purchase, considered with a view to war with our northern neighbors, is of vast importance. It will be surveyed and brought into the market with the least possible delay. Upon the whole, notwithstanding the complaints which have been made against the government for favoring the Indians, and against them for pertinaciously holding lands of which they make no use, I think more has been done this year in Indian negotiation than in any former year. If the Choctaw claim east of the Tombigby can be satisfactorily adjusted, we have nothing further to desire in the West for many years.

Some agitation prevails in Louisiana, arising from the apprehension of a Spanish invasion in that quarter. The information is implicitly relied upon by Colonel Jessup, who commands at Orleans; but, as he has not disclosed either the source or the details of it, we cannot form a correct estimate of the credit to which it is entitled. Under these circumstances, we have only ordered the concentration of the force assigned to the southern division at such points as will most effectually guard against the apprehended invasion. In doing this, we have directed the movements to be made as silently as possible, and that the object of the movement may not be disclosed. The predisposition to a war with Spain is so strong in this nation, especially in the section adjoining that which is menaced, that a slight excitement might be productive of consequences which the power of the government would not be able to control.

I presume you have been made acquainted with the ridiculous dispute in which we have been engaged with Russia, in consequence of a criminal procedure against Kosloff, the consul-general. It now has a most unpromising aspect, arising wholly from

Daschkoff's improper conduct. The French minister seems to have as little prudence, but, I hope, more good faith.

Mr. Monroe arrived in the city last evening, and I have heard that the President reached it this evening. To enable the President to bring Mr. Clay into the Cabinet, I consented to take the Treasury Department, but limited my acquiescence to the disposition of that gentleman to take the War Department. He has declined, and still the President writes to me that he has offered the War Department to Mr. Lowndes. He further stated that Mr. Monroe was with him, and that he had availed himself of his advice. As my consent was given on a condition which has failed, I ought not to be pressed further on the subject. There can be no mistake in the case, as my consent was in writing.

Present my respects to Mrs. Gallatin and the other members of your family, and accept the assurance of my sincere regard.

I am yours, &c.

GALLATIN TO MONROE.

No. 8.

PARIS, 14th October, 1816.

SIR,—The Duke de Richelieu appointed the 30th for the interview which I had asked in my note to him of the 25th ultimo. He first asked me whether England intended to indemnify us for the captures made under the orders in council. I replied that we had not yet obtained anything, and added that although we had made an express declaration before signing the peace with her that we did not abandon our just claims for indemnity, yet he must be sensible that the circumstance of our having made war against England for that very object, and afterwards concluded a peace without providing for it, placed us, with respect to that nation, on a very different footing from that on which we stood with France. On this he observed that we had also in some degree impaired our claim against France by having adopted measures of retaliation, such as the exclusion of her vessels and produce from our ports. I made the obvious answer that this prohibition, which we had made common to England and France, had no hostile character, that it was only a municipal

measure, such as every nation had a right, without giving offence, to adopt at all times, and which did not materially differ from the prohibitory laws now adopted by France with respect to foreign manufactures.

The Duke then stated that he was not authorized to enter into a negotiation for the purpose of providing an indemnity to the citizens of the United States for the captures and confiscations made by virtue of the Berlin and Milan decrees; that it was absolutely impossible for the present government of France to make compensation for the whole mass of injustice and injuries done by the former governments; that the whole territory, if sold, would not suffice for that object; that it had, therefore, been necessary to limit the measure of indemnity to the most flagrant cases, and that such had been the course adopted in the late treaties between France and the European powers; that the Berlin and Milan decrees were of a general nature, and not exclusively applicable to us, and that compensation for injuries arising from their execution, if made to us, must be extended to other nations, such as the Swedes, who, he said, were also sufferers in that respect; in fine, that, as the principle of granting indemnities on account of losses sustained under those decrees had not been recognized by the late treaties of Paris, it was not deemed proper to adopt it in our favor.

I replied that it was preposterous to suppose that the United States could, in any case, be bound by principles adopted in treaties to which they had not been parties; that the allied powers had selected those cases for indemnity in which they were principally concerned; that, as they had almost always been at war or in alliance with France, their claims were of a nature totally different from ours, which were derived from a most flagrant violation of neutral rights; that whilst some of those powers had an interest in preventing the recognition of the principle of indemnity for such violation, the few cases affecting a nation whose weight in the negotiations was inconsiderable (Sweden) must have been necessarily overlooked; and that the Berlin and Milan decrees, though nominally of a general nature, had, so far as they infringed neutral rights, fallen almost exclusively on the United States. I added that there were, however,

some claims admitted in the late treaties which, according to the common usage of nations and to every notion of justice, were far less founded in right than those of our citizens for the losses sustained under those decrees; and I mentioned as an instance the compensation to British subjects for losses arising from the general reduction of the public debt of France to one-third of its original amount.

To this last observation the Duke immediately replied that this was one of the concessions which had been made to Great Britain in consideration of her having released France from the payment of the large balance due for the support of prisoners. To my other observations he made no satisfactory answer, and, without seeming to deny the justice of our claim for indemnity on account of the two decrees, he persisted in his first declaration, that he was not authorized to conclude any arrangement on that subject. He added that his government was disposed to pay (in stock) for vessels burnt at sea.

I then stated explicitly that the United States could not abandon the claims of their citizens for indemnity in any case where there had been a violation of neutral rights according to the acknowledged law of nations; but that as, exclusively of the Berlin and Milan decrees, there had been numerous other acts of the French government under which great losses had been sustained, I wished to know with precision what were the cases in which his Majesty's government was disposed to make compensation, in order that I might be enabled to judge whether I could accept or make any proposal according with those views and not inconsistent with our rights, or whether I ought simply to transmit the determination of this government to my own.

The Duke professed himself not to be well informed with respect to the acts to which I alluded, and requested me to confer with Mr. De Rayneval, who acts as Under-Secretary of State, and on whose report he would be enabled to lay the subject before his Majesty's council.

You will perceive a great difference between what passed on this occasion and the tenor of our interview of the 30th of August. As the Duke de Richelieu could have no interest in not explicitly saying then what he stated at the last conference,

and as indeed want of candor is by no one ascribed to him, it may be presumed that he did not at first know the whole amount of our claims, or that he has been overruled by the council of ministers. But it is worthy of notice that not the most distant hint has been given that this government was not responsible for the conduct of Bonaparte. Such doctrine is untenable even here.

Mr. Rayneval accordingly called on me on the 3d instant. He said that he had never before attended to the subject, and I did not attempt to discuss it with him. I only gave him the list of the several decrees, beginning with that of Berlin and ending with that of Rambouillet, and stated that there were a number of cases in which seizures had been made under color of those decrees and the vessels and cargoes sold, but where no condemnation had taken place, and that there might also be cases where property had been sequestered without reference to any decree. I explained to him that the object of our conference was to point out to him the several grounds of complaint on our part in order to enable him to report to the minister, and he promised to examine the subject immediately and to see me before he made that report. I have not heard from him since that day, and if any further delay takes place I will address an official note to the minister, in which it will be necessary to discuss the whole subject.

GALLATIN TO MONROE.

No. 10.

PARIS, 11th November, 1816.

SIR,—I have the honor to enclose the copy of my note[1] of the 9th instant to the Duke de Richelieu on the subject of indemnities due to citizens of the United States on account of the illegal and irregular sequestrations and condemnations made under the authority of the former government of France.

I had some difficulty in collecting from scattered documents

[1] This note will be found in American State Papers, Second Series, vol. v. 284.

the information necessary to present a correct view of the subject and adapted to existing circumstances. Mr. Armstrong's correspondence is not to be found amongst the archives of this legation, and it was during the period of his mission that almost all the unlawful acts of the French government took place. I have no expectation that the projet of arrangement will be adopted in the shape proposed by me.

Your letter of the 10th September, enclosing your correspondence with Mr. Hyde de Neuville on the subject of Mr. Skinner's toast, was received on the 6th instant. I have written a note to the Duke de Richelieu asking for an interview, in which a verbal representation will be made in conformity with your instructions. The extreme sensibility shown on subjects of this kind, and of which my former despatches have given several instances, makes me apprehend some difficulty, and that this trivial incident may interfere with more important concerns. . . .

I have the honor, &c.

GALLATIN TO MONROE.

No. 11.

PARIS, November 19, 1816.

SIR,—I received on the 16th instant a note from the Neapolitan ambassador, enclosing, by order of his Court, the copy of an official note dated the 15th October last, and addressed by the Marquis de Circello to Mr. Pinkney after his departure from Naples. In answer to a verbal inquiry, the ambassador told me that he did not know whether that note had been directed to Mr. Pinkney at St. Petersburg, or at any other place on the road. He also said that his government had authorized him to add to that communication to me any further observations which he might deem proper, but that he had abstained from it, knowing that neither he nor myself had any powers on that subject, and wishing therefore to avoid an unprofitable discussion.

It may be presumed that the Neapolitan government delayed that note in order to prevent the possibility of a reply, and that their intention in communicating it to me was to hasten its trans-

mission to you. Copies of the official note itself and that of the ambassador to me are enclosed.

I took the opportunity of a transient conversation on the 14th instant with the Duke of Richelieu to state explicitly to him the impossibility of removing from office the postmaster of Baltimore on account of the toast of the 4th July, and the dissatisfaction of my government with the minister of France on account of the manner in which he had made a demand to that effect. The Duke appeared both surprised and grieved, and made some remarks, to which I replied. But as he has appointed the 21st instant for an interview, and the subject will then be more fully discussed, I will not trouble you at this time with the observations made on both sides.

GALLATIN TO MONROE.

No. 12.

PARIS, 21st November, 1816.

SIR,—I had this morning an interview with the Duke de Richelieu on the subject of the application made by the minister of France for the removal of the postmaster of Baltimore on account of the toast given by him on the 4th of July last.

After reiterating the assurances of the respect felt by the President for his most Christian Majesty, and of his earnest desire to cultivate the most amicable relations with the government of France, I stated the impossibility of complying with the request of Mr. Hyde de Neuville, and the dissatisfaction felt by the government of the United States at the peremptory manner in which he had urged that request. It is unnecessary to enter into the detail of the explanations given and the observations made to show that our institutions and habits as well as public opinion would, independent of the dictatorial tone assumed by Mr. de Neuville, have forbidden the removal of an inferior officer merely because he had, on such a day as the 4th of July, indulged in an expression of his political opinions with respect to a foreign power or sovereign. I had, indeed, only to

amplify the suggestions presented in your despatch of the 10th September.

In answer, the Duke of Richelieu premised that the liberty of the press as established in America and the liberty of speech belonging to private citizens were so perfectly known and understood, that the abuse of either, however unpleasant to the feelings of the French government, would not have been a subject of complaint. But we certainly would agree with him in acknowledging that the government of every civilized nation desirous of preserving friendly relations with another government must preserve those rules of mutual courtesy and civility which were established by public usage. It was, therefore, incomprehensible to him that any government could detach itself from its agents, and, whilst professing regard and consideration for a friendly sovereign, permit him to be wantonly and openly insulted by one of those agents, and refuse any reparation for such public insult. He was, he said, altogether unable to understand the alleged difficulty of dismissing for such an outrage an officer removable at the will of the government, since, as he was informed, such removals were frequent in the United States, where there did not exist, as in some other countries, any vested right in offices. In asking for the dismission of Mr. Skinner there was no intention of giving offence; it was only stating the kind of reparation which appeared most natural, and which would be satisfactory. The United States were too powerful, too independent of France and of every other nation, to suppose that any attempt should be made to dictate to them. Nor ought we to be astonished at the sensibility felt on this occasion. The world was yet divided in two parties, one of which wished to preserve, and the other to destroy, existing establishments. We felt perfectly safe in that respect; but the more precarious the situation of France might be supposed, the more important it was to take notice of any public insult, and to show that the sovereign of France was not a king of straw (the Duke's own words). It would not be our interest, under the difficulties which she had now to encounter, that she should be vilified in the person of her monarch in the face of the world.

Thinking it important that you should know the ground assumed on that subject by this government, I have in this statement done full justice to the reasoning of the Duke. And I am sorry to say that no explanation I could give appeared to make any impression on him. I did not omit to dwell on the notorious facts that the King of Great Britain had been an annual theme of personal abuse on that day, without any notice having ever been taken of it by that government, which understood fully the nature of ours; and that it was unexampled with us that an officer should be removed for such a cause. I also alluded to the conduct of Daschkoff in Kosloff's case (which was known to the Duke), to the singular coincidence by which an attempt was made to put our government at variance for the most trivial causes with two friendly powers, and to the advantages which Great Britain might hope to draw from that state of things.

The Duke still reverted to his first positions; and when he had become fully satisfied that no promise to remove the postmaster would be given to him, he said that the government of France could not certainly force ours to make them reparation for the insult given by that officer, and that they would be compelled to evince their dissatisfaction at our refusal in their own way. He immediately added that they would not preserve any public agent in the town where his Majesty had been publicly insulted. To that it was not necessary to make any reply; but I presume that their resentment will, unless policy should direct another course, be shown in a different way, and that the consideration of our demands will be adjourned. I will be able to ascertain this within a short time; and in that case my residence here will not only be personally unpleasant, but altogether useless to the public. I will omit, in the mean while, no opportunity of giving such further explanations, consistent with the ground which has been taken, as may prevent a result injurious to our citizens. The fact is, that, as has been sufficiently proved by the law which the King of the Netherlands has been compelled to have enacted, and by various other circumstances, a most sickly sensibility exists on the subject of personal abuse of the King, and that they view here objects connected with sovereigns

through a medium so different from ours, that it is extremely difficult to make them feel and understand our explanations.

I have the honor, &c.

GALLATIN TO MONROE.

No. 19.

PARIS, 20th January, 1817.

SIR,—Having received no answer from the Duke de Richelieu to my letter of 9th November last, I addressed to him on the 26th December a short note, of which, and of his answer dated the 16th instant, copies are enclosed.

In the interview which accordingly took place to-day, the Duke for the first time declared that he did not consider us as being of right entitled to an indemnity from the present French government on account of spoliations committed by that of Bonaparte on our commerce. In support of his position that the existing government was not responsible for the acts of injustice done by the former, he alleged, 1st, the example of Naples in rejecting our application to the same effect; 2dly, the conduct of the allied powers, who, although dictating within the walls of Paris terms of peace to France, had not carried the demand of indemnities for their subjects to the extent claimed by us; 3dly, the constant refusal of Bonaparte to indemnify us for those acts of injustice which he had committed himself. In the course of the conversation the Duke hinted, without positively expressing it, that any indemnity which might be allowed by the present government would be a favor, and said, alluding to the refusal to dismiss the postmaster of Baltimore, that we did not on our part show any disposition to do anything for France.

After having repeated what had already been stated on former occasions, that the United States could not be bound by the acts of the other powers to which they were not parties, and that the denial of justice by others could not justify a similar conduct on the part of France, I told the Duke that I thought it unnecessary, unless he thought proper to do it in an official shape, to enter into a discussion of the question of right, since he knew as

well as myself that, under all the circumstances of the case, the present government of France was, according to the acknowledged principles of public law, responsible for the acts of those who had been in possession of the government during the expulsion of the Bourbons, and who had been recognized by all the powers of Europe. I requested, therefore, that he would proceed to state what he had concluded to offer in answer to the basis proposed in my note of the 9th of November. He said that his offer would fall very short of our demands; that he could not go beyond vessels burnt at sea, and for those the proceeds of which had been only sequestered and deposited in the caisse d'amortissement; and that it would even be difficult to obtain from the Chambers the authority to pay to that extent. He added that he would make his proposal in writing, and that this would not be attended with much delay. I then said that I could not give any opinion on his proposal until I had received his note; but that I wished him to understand that if the government of the United States thought it proper (which I could not at present promise) to accept an indemnity for certain classes only of our claims, this never could be purchased by a relinquishment of the other just demands of our citizens.

I did not fail to make some observations on what he had said respecting the toast of the 4th of July, and although he assured me that he had not in our former conversation expressed himself as strongly on that subject as he felt, I cannot help thinking the incident too insignificant to make a lasting impression. I had yesterday received your despatch of the 26th November, and infer from it that M. Hyde may himself try to repair the injury he has done.

CRAWFORD TO GALLATIN.

WASHINGTON, 12th March, 1817.

MY DEAR SIR,—Your letter of the 22d November last, as well as that which preceded it, has come to hand. I am extremely obliged to you for the information which they furnished. Some time in the month of January I wrote you a long letter,

but the want of a convenient opportunity to transmit it has kept it by me to this time. As many of the conjectures with which it abounded are now realized or falsified, I have determined to suppress it and give a view of the state of things as they now exist.

John Q. Adams Secretary of State, I remain in the Treasury, Crowninshield in the Navy, and Governor Shelby in the War Department. In the month of January Mr. Monroe called at my office and stated his solicitude that I should form a part of his Administration, and with great apparent, and I believe real sincerity, explained the reasons why he thought it would be better for me to remain in the Treasury Department rather than to go into the State Department. The view which he presented was entirely satisfactory to me. The only difficulty I had to surmount was that of private interest. The situation in which I had been placed by a portion of the Republicans during the preceding session might lead the malevolent to ascribe my retiring from the Cabinet to any other than the correct motive. This idea was incessantly pressed upon me by Mr. Macon and Dr. Bibb, and, independent of the respect due to their opinions, was entitled to consideration. Self-respect, as well as a desire to retain the good opinion of those with whom I had long been associated, strongly impelled me to make the sacrifice of interest which remaining in the Administration necessarily required. These motives, however, were balanced by several other considerations. The Secretaries had recommended a change in the organization of the accounting departments of the government. It was known that that recommendation rested principally upon my responsibility. Should it be rejected, there was but little ground to expect that the public accounts could be brought up, and the odium would increase with the lapse of time. In my office, and that of Treasurer, the amounts had not been balanced from June, 1815. In every other Department it was worse, and no rational hope existed that the arrearage, under the then organization, would ever be reduced. To remain in the Treasury under such circumstances afforded no prospect of gaining reputation, but a certainty of losing what little might have been previously acquired.

But there was another difficulty in my way. Under the

convention with Georgia, that State was to receive $1,250,000 out of the first net proceeds of the lands ceded. The compromise with the Yazoo claimants made the stock issued to them received in all payments due for public lands sold after the date of the stock. This stock was issued principally in the month of July, 1815, when not one-fourth of the $1,250,000 was paid to Georgia. As Secretary of the Treasury, it would have been my duty to have executed this law to the manifest injury of Georgia, and in open violation of the articles of agreement and cession. As a citizen of Georgia, I would not—I could not consistently with my feelings—place myself in a situation to become the passive instrument of injustice to my own State. Under all these circumstances I felt it to be my duty to advise Mr. Monroe to look out for a proper person to fill the Treasury Department, as it was highly improbable that my difficulty could be removed. This communication produced a message from the President recommending an appropriation of money equal to the amount of stock received for lands until the debt to Georgia was discharged. This message was carried into effect by an Act, and the changes in the organization of the Departments recommended in our report to the Senate, except in the appointment of the Solicitor of the Treasury and in the summary mode of recovering money from defaulting officers, were also carried into effect. After the adoption of these measures there was no longer any insurmountable difficulty in remaining in the Cabinet, and thus it is that you see my name in the list of nominations. Upon going into the Treasury at the entreaty of Mr. Madison for the purpose of introducing Mr. Clay into the Cabinet, I stated my wish not to be nominated to the Senate until I had made up my mind as to continuing in it, and Mr. Madison consented to withhold it for that purpose. As the measures I have described were not finally acted upon until the 3d day of March, my nomination could not be made by Mr. Madison, so that on the 4th I was a private citizen, one of the real sovereign people.

The War Department was offered by Mr. Madison to Mr. Clay and not accepted; it was again offered to him by Mr. Monroe, shortly after his interview with me, and rejected in the most decided manner. Upon this act becoming public, General

Harrison, Colonel R. M. Johnson, Governor Cass, and the Postmaster-General had their advocates. It is proper, however, to observe that the Virginia Senators had pressed the colonel upon the President-elect from the commencement of the session. He had also set his heart upon it, and required all the soothing which his friends could give him to reconcile him to the disappointment. Placed as I was in the most doubtful situation, I did not venture to inquire or to advise. In the only interviews I had with Mr. Monroe,—one sought by him, and the other by myself,—my opinions were confined to my own case. Mr. Russell made a deliberate effort to prevent the appointment of Mr. Adams, and had the address to enlist Crowninshield in the exertion.

How far he felt interested in his exclusion is difficult to decide. There is much reason to believe that he also urged the appointment of Mr. Clay to the State Department. I believe Mr. Monroe's confidential advisers from Virginia were laboring in the same vocation, some from proper and others from interested motives, which you will be able to conceive. After the explanation of his views to me, he could not for a moment have thought of Mr. Clay for the State Department without having previously made up his mind to lose my good opinion and, of course, my services; because every reason assigned against my going into the State Department operated stronger against Mr. Clay than against me. These reasons, as you will conceive, were all of a political nature, and existed in a stronger degree against him than any other person brought into view for that office.

It is generally believed that Shelby will not accept; who will be selected in that event I know not. An impression prevails that the Western States will be malcontents during the Administration of Mr. Monroe. It is even said that the Speaker has declared his determination on that point.

This is not credible, but he has made declarations to me which I conceive to be the forerunner of such an opposition. He has become an advocate for the most rigid economy, and declares that the nation will not be satisfied if the public accounts are not annually settled. In the present state of the accounts, and the defect of power to enforce settlements with those upon whose

accounts the settlement of others will necessarily depend, it will be impossible to bring up the arrearage in the War and Navy Departments.

He also expresses his belief that a schism is about to take place, and that new combinations of the discordant materials of which the two great political parties are composed will be formed, and that this will be certainly so in the Western States. From this view of the subject I presume you will agree with me that Mr. Monroe is not likely to repose on a bed of roses during his present term. It is certain that the great depression of the Federal party, and their apparent disposition to lose themselves for a time in the council of the nation by uniting in the measures of the Executive, cannot fail to relax the bonds by which the Republican party has been hitherto kept together. Should they pursue this course until the schism shall be completed, it is not easy to foresee the consequences to the Republican party.

The revenue has greatly exceeded the most sanguine calculations. That arising from the customs during the year 1816 exceeded $30,000,000, whilst the receipts from that source exceeded $36,000,000. It is highly probable that that which will accrue from the customs during the present year will fall much below that of the average of any series of succeeding years. I have estimated it at $12,000,000, which is probably too low. The sinking fund has been increased to $10,000,000, and any surplus in the Treasury, after satisfying the annual appropriations and leaving two millions of dollars in the Treasury. They have, moreover, appropriated $9,000,000 in addition for this year, with the power of advancing $4,000,000 as an advance for the year 1818.

You will have seen that a motion has been made to repeal the internal taxes, which had a majority in its favor, but which was abandoned after spending a week, when there was not more than eight or ten days left for the despatch of business. It is possible that some of the members might have voted for it merely for the populace, under a conviction that the measure could not be carried during the session; but it is more probable that they would have repealed the system if they had had time. Another motion was made to reduce the army, but was more feebly sup-

ported in both Houses. Considering the immense proportion of new members which there will be in the next Congress, and the principles upon which the most of them have been elected, there is just ground to expect a levelling session,—a session in which inconsistency will be the dominant feature; a session in which money will be voted with a lavish hand, and the sources of revenue greatly diminished. To restrain this spirit of demolition it will be incumbent on the Executive to come forward and to mark the course most distinctly which Congress ought to pursue. Nothing but a firm stand in that department will be sufficient to restrain the predisposition to pull down what has been built up within the last years, and throw the nation again wholly upon foreign commerce for revenue. Mr. Monroe is sensible of this necessity, and has made up his mind to meet it, as he ought.

The compensation law has deprived the nation of the services of many men of great worth. Among that number is Dr. Bibb. He is succeeded by Colonel Troup. In the other House the whole representation from that State was rejected except Forsyth, who was barely elected, being the lowest on the list.

Finley is nominated by a convention for governor of Pennsylvania, and Heister by the old-school men. It is believed that Peter B. Porter will be nominated on the 25th instant as the Republican candidate of New York. De Witt Clinton will be run at the convention for that office.

Mr. Randolph has declined a re-election. I have heard nothing of the person who is to succeed Mr. Adams.

Mr. de Neuville has conciliated the people of this place and the members of Congress very much during the winter by a prudent course of conduct. The newspapers have laid aside their asperity, and if the foolish affair of the toast at Baltimore could be well disposed of, I believe there would not arise any further cause of collision. The opinion which you state that he has given to the French Ministry corresponds with his declarations to Mr. Monroe on that subject. His wife is very amiable, and is highly respected for her excellent qualities. It is really ridiculous that the French Ministry should work up such a trifle into an object of such importance.

There is no rational ground to hope for an increase of salary

during the next Congress. I hope you will be able to bear the expense for that period, or find no difficulty in obtaining the consent of the President to return.

Judge Nicholson died suddenly a few days ago. He had paid us a visit but a few days before, and was in better than ordinary health. Mr. Macon had left the city before your letter was received. Your salutation shall be communicated to him in my first letter.

Present my respects to Mrs. Gallatin and every member of your family, and believe me, my dear sir, your friend, &c., &c.

P.S.—Remember me affectionately to General La Fayette, Count Marbois, the Duke and Duchess of Plaisance, and to Mr. and Mrs. Hottinguer.

GALLATIN TO J. Q. ADAMS, U. S. MINISTER IN ENGLAND.

PARIS, 16th April, 1817.

DEAR SIR,—I duly received your letter of 22d ult., but had not till this moment any safe opportunity of answering it.

The 4th Article proposed by the British government appears to me, as it does to you, to be substantially the same which we had rejected and to be altogether inadmissible. I should think that mutual convenience might induce both parties to frame an article for the necessary inland intercourse with Canada, which would be beneficial to the inhabitants on both sides the lines and still be free of any substantial objection. On our part, we must still insist for their exclusion from the trade with our Indians, and, if they will not suffer us to enjoy the navigation of the St. Lawrence below our line, the commercial intercourse should be limited to articles of the produce of the United States and of Canada respectively.

The 1st Article might afford some employment to our small vessels; and the clause which insures reciprocal advantages to British vessels might be so expressed as to be strictly reciprocal, and as to leave us the power of taxing or excluding those vessels when having more than one deck, or when laden with other

articles than those which our vessels would by that article be permitted to export or to import. I am not sufficiently acquainted with the details of that trade to appreciate the value of what we would gain by the arrangement. But I much doubt whether, confined as it is to small vessels, and excluding on the one hand sugar and coffee, and on the other lumber, fish, salted provisions, live-stock, &c., it would be at all acceptable to our fellow-citizens.

The 2d Article is, I think, useless and dangerous. Great Britain will always be ready to favor an intercourse with Bermuda for the purpose of amply supplying a naval depot and station which is exclusively designed against us.

The 3d Article is the best, as from the bulk of the article (salt), and there being no limitation to the size of the vessels, they may be usefully employed in the trade with the Turk's Islands. But even there we are not permitted to import provisions.

There is no article proposed for the intercourse with Nova Scotia and New Brunswick. I do not know whether Congress has passed the proposed bill to retaliate on the Plaister Act.

I really do not believe that there is anything in these observations which had not already struck you, and they are made only in compliance with your wishes.

The government of Naples has rejected in toto our demand for indemnity. I have not been more fortunate here, and have never felt more completely useless than since my arrival at this Court.

Accept, I pray, the assurance of the very high consideration and esteem with which I ever am, dear sir, your most obedient servant. I pray Mrs. Adams to accept the assurance of my best respects.

GALLATIN TO MONROE.

No. 27.

PARIS, 23d April, 1817.

SIR,—I had an interview on the 13th instant with the Duke de Richelieu, in which he announced to me that he had concluded not to give a written answer to my note of the 9th of November

last on the subject of American claims. The claims of the subjects of European powers, which France was by the conventions of 1815 bound to pay, had been estimated at a sum not exceeding at most one hundred and fifty millions of francs (or an annuity of seven and a half millions). But it was now found that the terms thus imposed were much harsher than the French government had expected, or than the allies themselves had intended. The reclamations under the convention with Great Britain did not, indeed, exceed the sum of fifty millions at which they had been estimated; but those of the subjects of Continental powers, filed with the commission appointed for that purpose, exceeded twelve hundred millions, without including a portion of Spanish claims; the time for presenting which has not yet expired. Many of those demands would undoubtedly be rejected or reduced by the commission. Still, the probable amount which might be declared justly due so far exceeded every previous calculation, and was so much beyond the ability of France to pay, that he (the Duke) was now employed in seeking some means of obtaining modifications which might bring the payments in some measure within the resources of the country. Under such circumstances, and whilst unable to face the engagements which superior force had imposed on them, it was, he said, utterly impossible for his Majesty's government to contract voluntarily new obligations. They were not willing to reject absolutely and definitively our reclamations in toto; they could not at this time admit them. What he had now verbally communicated could not, for many reasons, become the ground of an official answer to my note. He had, therefore, concluded that a silent postponement of the subject was the least objectionable course, since having now made our demand for indemnity in an official manner, the question would be left entire for discussion at some more favorable time, after France was in some degree disentangled from her present difficulties. He added that if there was any apparent inconsistency between the language he had formerly held and what he was now compelled to say, it must be ascribed to the circumstances he had stated, to the extraordinary and frightful amount to which he had lately found other foreign claims to have swelled.

After some remarks on the disappointment which, after what had passed in our first conversations, this unexpected determination must produce, I replied that the payment by France of exaggerated and doubtful claims to the subjects of every other foreign power did but increase the injustice of refusing to admit the moderate and unexceptionable demands of the American citizens. The present embarrassments of France, however increased by the magnitude of these foreign private claims, could form no solid objection to the recognition and liquidation, although they might impede the immediate discharge, of our reclamations. It was with this view of the subject that I had, from the first outset, expressed the disposition of the government of the United States to accommodate that of France as to the time and manner of making compensation to the claimants. I added that his declining to answer my note in writing would, exclusively of other objections, leave no trace of the ground on which he placed the postponement of the subject.

The Duke, without answering my observations in a direct way, gave me to understand that after the great sacrifices to which the King's Ministers had been compelled to give a reluctant assent, and the magnitude of which would soon be known, they would not dare to take the responsibility of acknowledging a new debt, although made payable at a distant period. He then took new ground, and alluded to the refusal of England and of Naples to give us any indemnity.

On this last point, after having observed that a failure of justice on the part of those nations did not justify a similar conduct on the part of France, I repeated what had already been mentioned in former conversations, that our having made war against England had placed our claim for indemnity on a different footing from that on which we still stood towards France. There is, I added, another material difference with respect to a large mass of claims. England had adopted most illegal and unjustifiable measures towards our commerce; but after having laid down the rule, the application had been left to the ordinary courts of admiralty, and all the property for which we claimed indemnity had been unlawfully but regularly

condemned by those courts; a considerable portion of the condemnations in France had been made not by the ordinary tribunal (the council of prizes), but, contrary to the usual course of law, and even to a positive treaty, by the arbitrary order of the Emperor; and we claimed the payment of much property which had not even been condemned, but had only been sequestered.

As to Naples, I reminded the Duke that the ground assumed by that Court was, that having always kept possession of a part of the monarchy, the domination of Murat on the remainder must be considered only as a temporary military occupation, and not as a regular government de facto, for whose acts they could now be made responsible. Even this plea, untenable as it was, could not be urged by France, and I was satisfied that her present government, if resolved to reject our claims, would not give as a reason that they were not answerable for the acts of the former government.

The Duke answered that they might at least say that such was the mass of acts of injustice and of iniquities, to repair which was the legacy bequeathed to the King by that former government, that it had become physically impossible to do complete justice; for necessity was a barrier before which justice itself must stop. Their resources were not sufficient to satisfy every claim, and a superior force had engrossed the whole and put it out of their power to make an equal distribution.

On my mentioning that his Majesty's government had voluntarily recognized all the engagements previously contracted with French subjects, and which constituted what was called the *arriéré*, and suggesting that the sequestrations of American property might be considered as coming under that description, which would prevent the necessity of asking a specific credit for that object from the legislative body, he answered that the law would not justify such a construction.

Having exhausted every argument which the occasion suggested, I ended the conference by saying that, as I could not compel him to give me a written answer, I would reflect on the course which it behooved me to pursue, and that probably I would refer the case to my government. He said that he in-

tended to write to Mr. de Neuville to make to you a communication similar to that which he now had made to me.

Had I only listened to my feelings, I would have written to the Duke to demand, at all events, an answer to my note of the 9th of November. But as, after what he had told me, this might have provoked a decisive rejection of our claims, I did not think myself at liberty to adopt a course which might prove so injurious to our fellow-citizens, and place the relations between the two countries on an ineligible footing, without having previously submitted the question to you.

I therefore addressed to him, yesterday, the letter of which a copy is enclosed. Its principal object, as you will perceive, is to put on record the ground on which he had himself placed the postponement of the subject, and to leave the door open to further representations respecting cases of property not condemned, in case you should think it best not to urge further at present the demand for indemnity in all cases.[1] I must add that there is still a hope of obtaining hereafter justice in cases of property sequestered or burnt, but that I have not the least expectation that any compensation will ever be made for property which has been definitely condemned. . . .

I regret that my endeavors should not have been attended with better success, and that the versatility of the Duke de Richelieu should have raised expectations which are now disappointed. But had I even anticipated this result, I should nevertheless have thought it necessary to make a formal demand to this government of an adjustment of our claims. For you will be pleased to recollect that, owing to the time necessary to give a new commission near the King to Mr. Crawford, to the ensuing departure of Prince Talleyrand for Vienna, and to the subsequent political events, no opportunity had yet occurred to make that demand since the first restoration of the Bourbons. If longer delayed, and especially at a time when they were liquidating every species of claim, foreign and domestic, it might have been justly viewed as an abandonment of the claims.

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[1] This note is printed in American State Papers, v. 289 (Foreign Relations).

CRAWFORD TO GALLATIN.

WASHINGTON, 23d April, 1817.

MY DEAR SIR,—I have already acknowledged the receipt of your two letters dated in September and November of the last year.

To Mr. Brown I must refer you for general information respecting the situation of the country.

It is understood and asserted in the Kentucky gazettes that Governor Shelby has declined accepting the War Department, but no direct information has been received here upon that subject. I am wholly ignorant of the views of the President respecting the Department. It is one of those appointments which ought to be made entirely upon his own responsibility; it would therefore be nothing short of impertinence for any person to intrude his opinions upon him. Whispers, however, are going about that George Graham, the Acting Secretary, will become the permanent director of that Department. This is not probable. I fear the geographical consideration which led to the selection of Governor Shelby will still direct the selection. In that event there is almost an absolute certainty of a bad appointment. Campbell, it is said, would be willing to take it or the appointment now filled by Mr. Adams. He is certainly preferable to Johnson, Harrison, R. J. Meigs, or Cass, all of whom are willing to receive it, and have been pressed upon the President. An impression has recently been made that Mr. Clay may still be brought to accept it. He is certainly dissatisfied with his situation, or with the Administration. He now talks of resigning his public station at the end of the next session of Congress and retiring to private life for some years. That he is dissatisfied with the appointment of Mr. Adams is notorious, but there may be some doubt in ascertaining the true source of that dissatisfaction.

Pope has been appointed Secretary of State by Lieutenant-Governor Slaughter, and approved by a large majority of the State Senate. The Legislature, by large majorities in both branches, have declared that Slaughter is constitutionally governor for the whole term for which Governor Madison was elected. All these acts are understood to be disapproved by

Mr. Clay. The connection between Pope and Adams it is supposed will give strength and influence to the former, and no doubt is entertained that that influence will be uniformly exerted to the annoyance of the Speaker. Under these circumstances it is supposed that opposition to his re-election will be inevitable, and that, although it may not be successful, it will require exertions on his part which are hardly compatible with the standing which he now occupies in the national councils. It becomes, therefore, an act of prudence to retire from his public station, either to private life or to another in which he will not be dependent on the people nor subject to be annoyed by his hated rival. It is, however, understood that he objects to entering the Cabinet in what he considers a subordinate rank. His ambition will not permit him to be in any other than the first rank in the Cabinet. How the conflict between his ambition and his dread of retirement will terminate remains to be seen. I think there are but few men who have less relish for retirement than Mr. Clay; but he may nevertheless make the experiment.

A new state of things has arisen in New York. De Witt Clinton again wields the influence of that State. The Vice-President will become a cipher in the politics of New York before the end of four years. His chance of the Presidency I consider as gone, never to return. Clinton will again appear the Northern favorite, to the exclusion of Tompkins and Adams. If the Vice-President had been able to preserve his influence in New York, his task was an easy one. He had only to be silent, and vote with the Administration whenever the Senate was tied, to secure his elevation to the Presidency at the end of eight years. This, I presume, he would have had discretion enough to have done. As the question now stands, the Presidency, at the retirement of Mr. Monroe, will be a prize which will be fiercely contested between the North and the West, if Mr. Clay should be able to preserve his popularity in that section of the Union, which at that period will be very strong. Should New England become Republican, it is possible that Mr. Adams may compete with Clinton and the Western candidate, especially if Mr. Clay should lose his popularity and Mr. Pope regain his former standing in Kentucky.

In Connecticut the toleration ticket has prevailed. This triumph, which is rather of a religious than political character, may, and probably will, have a decided influence eventually upon the political institutions of the State.

In other parts of the Union things remain nearly in their former state as to political party. In Pennsylvania the old-school men and Federalists are rapidly amalgamating, and in some parts appear to be gaining strength. If they do not fall out by the way, it is not improbable that they may eventually become very formidable, if not triumphant. In that event De Witt Clinton would receive the suffrage of that State.

Mr. Randolph has declined a re-election, and intends to visit Europe for the recovery of his health. I presume you will see him in the course of the year at Paris.

Specie payments have everywhere been resumed, and no inconvenience has resulted from it in any part of the country. No news has been received from the agent employed to buy specie in Europe, as far as I am acquainted with the fact.

The commissioners of the sinking fund have determined to make an effort to purchase Louisiana stock in Europe. Bills on Amsterdam are at par, on London at 3 per cent. premium. As three millions of that stock must be redeemed at the Treasury during the next year, it is presumed that the holders will be disposed to receive something less than the nominal amount this year in London or Amsterdam, and save the loss and embarrassment of withdrawing that amount during the next year from our Treasury. Six per cent. stock is very near par throughout the United States. As yet I have kept out of the market (except in the purchase from the banks in Baltimore to enable them to settle their balances with the Bank of the United States, recently accumulated; about $1,000,000 has been purchased in this way), for the purpose of keeping it below par until the last instalment is paid into the bank, under a hope that a larger amount may be subscribed.

If this expectation should be disappointed, it will be impossible to apply the sum placed at the disposition of the commissioners of the sinking fund.

As well as I recollect, you promised to send me a file of Paris

newspapers,—the *Journal de Paris*, or some minor paper of that description. I have not yet received any since Mr. Jackson discontinued that paper. If you take any such paper, you will oblige me much by sending it to me.

Present my respects to Mrs. Gallatin and each individual of your family, and accept the assurance of my highest esteem.

Yours, &c., &c.

GALLATIN TO MONROE.

No. 36.

PARIS, 11th July, 1817.

SIR,—I have alluded in my former letters to the difficulties which I foresaw in making any commercial arrangements with this country. It had, for several reasons, appeared to me desirable that any overture for that purpose should come from this government; and there was reason to believe that the manufacturing and a portion of the agricultural interest of France would recommend the subject to the consideration of the Ministry. This has in some degree taken place. A commission of eminent merchants and manufacturers charged by government with a critical examination of the tariff of duties on importations and exportations had already come to the determination of recommending the repeal of every species of duty on the importation of cotton wool; and I am informed that a few days ago they passed a resolution, which has been entered in their procès-verbal and transmitted to the Ministry, expressing their opinion of the importance of the commerce of the United States, and their wish that the commercial relations between the two countries might be arranged by some convention or understanding between the two governments.

In a conversation which I had yesterday with the Duke de Richelieu for the purpose of stating to him the object of my mission to the Netherlands, he asked whether we would not also make some commercial arrangements equally beneficial to France and to the United States. On my answering that I was authorized to open a negotiation on that subject whenever I found a corresponding disposition on the part of France, he said that

such a disposition did exist; that the subject was new to him, but that he would, he hoped, be ready to discuss it on my return from Brussels. He added that there were, however, some difficulties in the way. The result of the revolutionary wars and treaties was that France had not now a treaty of commerce in force with a single European nation. With some powers she could not, under existing circumstances, treat on an equal footing, or with any expectation of making arrangements founded on a fair reciprocity. This objection did not apply to the United States; but it might be inconvenient to make a treaty with us alone. Perhaps we might find it practicable to come to an understanding, in conformity with which the commercial relations of the two countries might be arranged by the laws of each, without a formal treaty and without affording any cause of umbrage to other powers. I expressed my readiness to discuss the subject whenever he was disposed to do it, and will accordingly resume it on my return.

I have not, however, very sanguine expectations of a favorable result, or that anything more can be obtained than some modification of duties. The system of raising a large revenue on the consumption of tobacco, by a monopoly of its manufacture and a partial cultivation of the plant in France, opposes an insuperable barrier to any beneficial change in the existing regulations respecting the tobacco of the United States. I know, also, that the arrangements contemplated by the board to which I have alluded have for basis a reduction of duties on the importation of French manufactures in the United States; and the Duke de Richelieu alluded to the high rate of our duties on French wines. This last article is the only one on which we might, if equivalent advantages were obtained, reduce the duties without loss to the revenue, and without interfering either with our manufactures or agricultural produce, or affecting our commercial arrangements with other countries. I am aware that I have no authority to treat on that basis, but I submit the subject (that respecting French wines) to your consideration, because, although the quantity we consume is trifling, it has nevertheless been always considered here as of vast importance.

As connected with this subject, it is desirable that I should be

furnished with the most recent statement that the Register's records can give of our importations from and our exportations to France. I have not received the general annual statements of importations and exports presented to Congress during their last session. What I principally want are the importations for the years 1815 and 1816, as they will enable me to show of what vast importance our consumption of French manufactures is to this country. Of this the silk manufacturers of Lyons are sufficiently aware. But I am confident that the amount, when correctly stated, will far exceed what this government may suppose it to be.

I have the honor, &c.

GALLATIN TO MONROE.

No. 37.

PARIS, 12th July, 1817.

SIR,—The communications first made by Mr. de Neuville to his government, and particularly the ground which he had taken on the subject of the Baltimore toast, had produced here a very unfavorable effect. Those which he has lately made must be of a very different character, and the effect is perceivable.

In the conversation which I had on the 10th instant with the Duke de Richelieu, he expressed his satisfaction at finding from his last despatches that the most favorable dispositions existed on the part of our government towards that of France. He made no allusion whatever to the subject of the postmaster. He then said that he wished it to be clearly understood that the postponement of our claims for spoliations was not a rejection; that a portion of them was considered as founded in justice; that he was not authorized to commit his Majesty's government by any positive promise, but that it was their intention to make an arrangement for the discharge of our just demands as soon as they were extricated from their present embarrassments. He still persisted, however, in his former ground, that they could not at present recognize the debt or adjust its amount.

I have the honor, &c.

GALLATIN AND EUSTIS TO J. Q. ADAMS, Secretary of State.

Hague, 22d September, 1817.

Sir,—The King of the Netherlands having selected the Hague for the seat of the negotiations between this country and the United States, we accordingly proceeded to this place, having previously had several conversations at Bruxelles with Baron de Nagel, the Minister for Foreign Affairs. The commissioners appointed to treat with us were Mr. Goldberg, Director-General of the Department of Commerce and Colonies, and Mr. Vanderkemp, member of the Council of Commerce. But, contrary to the expectations which we had formed on our first interviews with Mr. de Nagel and with the commissioners, after several conferences and four weeks of negotiation, we have been unable to come to an agreement on any of the points contemplated by our instructions.

The negotiations turned on three points,—the treaty of 1782 between the States-General of the Netherlands and the United States, the repeal of the discriminating duties, and the admission of American vessels in the Dutch colonies and foreign settlements.

Our instructions being wholly silent on the first point, we could only presume that it was not the intention of our government that the treaty should be abrogated or materially altered; and we proposed that its stipulations should be extended to Belgium and Louisiana, both of which were acquisitions made subsequent to the year 1782. The Dutch commissioners agreed to the proposed extension; but both they and Baron de Nagel evinced a strong desire either that the old treaty should be set aside to make room for new stipulations, or that the principles which it contains on the subject of neutral rights should be abandoned. Besides other unimportant modifications, they objected to the 5th Article as calculated to involve either nation in the wars of the other, and particularly insisted that the latter part of the 11th Article, beginning with the words "declaring most expressly," should be struck out. Although the ostensible objection to that paragraph was its being a mere abstract declaration, it will not escape you that it contains an important principle not

altogether unconnected with the question of impressment. We uniformly answered that it was not the wish of the United States, nor did the experience of the long period during which the treaty had been in force justify the apprehension, that either nation should or could be involved in any war on account of any of its stipulations, and that, our government not having anticipated the objections now made, we did not feel ourselves authorized to agree to any important alteration. The Dutch commissioners finally withdrew their proposed amendments, in compliance, as they said, with our wishes, but added that they would, in signing a new treaty, make a written declaration expressive of the meaning they attached to those articles of the former one to which they had objected. Although the preservation of that treaty will not probably form an insuperable bar to any future arrangements with this country, they may in other respects be facilitated, in case our government shall think proper to abrogate it and to substitute provisions similar to those adopted in the treaty of 1799 between the United States and Prussia.

We had at first connected the repeal of the discriminating duties with the admission in the colonies, and proposed a general and unqualified repeal without distinction of place or merchandise, provided the American vessels and cargoes were admitted on the same footing in the Dutch East and West India settlements. But that admission was offered by them only on the footing of the most favored nations, and on the express condition that the United States should, as an equivalent for it, make some additional concession.

The privilege of being admitted at Surinam on the same footing as the most favored nations was of no value, since we are in fact the only nation whose vessels are received in that colony; and we were aware that we ought not to accede to any stipulation on that subject which might be inconsistent with the general policy of the United States towards Great Britain and the other powers who have colonies in the West Indies. After having unsuccessfully urged every argument calculated to show the unreasonableness of the system adopted towards the United States with respect to an intercourse absolutely necessary to those colonies, and the baneful effect of those restrictions on the pros-

perity of the colonies themselves, we declared that we preferred to have no treaty stipulation on the subject of that intercourse rather than to accept an admission on the terms proposed, even if the demand of an additional equivalent was withdrawn.

We could not urge altogether on the same grounds the propriety of being admitted without restriction in the East Indies; we knew that the trade now enjoyed by us with Java was profitable and had excited the jealousy of the Dutch merchants, who wish to see us excluded; and the terms on which we had heretofore accepted the admission in the British possessions in that quarter were well known to this government. We therefore proposed the projet of an article founded in substance on the same basis; but we altogether refused to give or promise any additional concession, or any other equivalent than was to be found in the general advantages of our commerce. This last condition of an equivalent was, however, notwithstanding every effort on our part, pertinaciously adhered to, on the preposterous ground that a distinction must be made in favor of the nations who, having colonies, could offer reciprocal advantages which we had not to give. This determination was the more unexpected, as Baron de Nagel had in conversation given us reason to believe that he thought the demand unreasonable. Although the equivalent was not defined in the proposal delivered by the Dutch commissioners, they stated verbally that they would wish a reduction of our duties on cheese, gin, and some other articles of their growth; but that they would be satisfied with a promise to grant to the subjects of the Netherlands a participation in the commerce of any colonies which we might acquire during the existence of the proposed treaty. The first proposition was evidently inadmissible, and on the second we stated that neither had the United States any desire of acquiring colonies, nor could we on the face of a treaty avow or admit such an intention. It was only in the last conference that they gave us to understand that if we had agreed to their proposal on the subject of the repeal of discriminating duties, they might have found therein a sufficient equivalent for admitting us in the East Indies on the footing of the most favored nations.

With respect to those duties, it had been without difficulty

agreed that those on tonnage or vessels should be altogether abolished, with an understanding on one hand that this provision should not affect the intercourse with the colonies that might not be included in the treaty, and, on the other hand, that the agreement was conditional on the part of the Dutch commissioners; as, in case we could not agree on the repeal of discriminating duties on merchandise, it suited better the commercial policy of this country to countervail our additional duty on merchandise imported in foreign vessels by a tonnage duty than in any other manner.

Their proposal was that no discriminating duties should be laid in either country on any species of merchandise imported directly from the other country in vessels of that country. From the moment we saw that the colonies would not be included in the arrangement, we insisted that the stipulation should embrace only the products and manufactures of both countries. The reasons urged on both sides will be found in the official note of the Dutch commissioners of the 13th September and in our reply of the 18th. Although their proposal was inadmissible to its full extent, there is considerable force in the argument drawn from the geographical situation of the Netherlands, so far as it applies to that part of Germany and Switzerland of which Holland and Antwerp may be considered as the natural seaports. And Congress seems to have countenanced the distinction by the expressions used in the 1st Section of the Act of March 1, 1817. We would have been disposed to listen to the proposal if it had been thus limited, and in case we could have obtained the admission of American vessels in the Dutch East Indies on acceptable terms. But although we stated explicitly the effect which such stipulation, if extended to the products and manufactures of France, England, and other maritime powers, would have on our commercial relations with them, we could not induce the King's commissioners to restrict their proposal. They always repeated that restrictions as to the origin of merchandise were inadmissible, because they could not be executed.

Seeing that there was no prospect of concluding an arrangement on any of the points on which we were instructed, we did not think it eligible to sign a treaty merely extending that of

1782 to Belgium and Louisiana, as that was not a subject contemplated by our instructions, and as it would besides have been embarrassed by the proposed declaration. In order to terminate the negotiations in the most friendly manner, we proposed, and it was agreed, that they should remain suspended for the present, and that the whole subject should be referred to the two governments.

If we could venture an opinion on the arrangements which might hereafter be made with this country, we would say that it is not probable that we can be admitted in the East Indies on a better footing than the most favored nations; and that with respect to the repeal of discriminating duties, this government will at least insist that that repeal should apply to the manufactures not only of the Netherlands, but also of Germany and Switzerland.

We must not omit to state that during the conferences the Dutch commissioners repeatedly complained of our continuing those discriminating duties, whilst they had repealed theirs. They said that having repealed an ancient additional duty on articles imported generally from America, and known under the name of recognition, their ministers at Washington had in vain applied for a repeal of our additional duties, although their demand was founded both on the Act of Congress of 3d March, 1815, and on their claim, derived from the treaty of 1782, to be placed on the same footing with the English; and that the King having directed that the extra tonnage duty laid on foreign vessels by a law of October, 1816, should not be required from American vessels, we had not in the United States adopted a similar measure towards the vessels of the Netherlands. To this last observation we replied that there had not been yet time to hear from America on the subject, and that our government had doubtless expected that it would be definitely arranged in the course of our negotiations. We were not acquainted with the former applications said to have been made by their ministers; and we only observed that for the execution of an Act of Congress our Executive was responsible to his country, and not to any foreign nation; that if they claimed under the convention with Great Britain they must grant the same privileges

which she had allowed, one of which was the admission in the East India possessions, defined in such manner as not to render it altogether nominal.

It must be, however, admitted that the fact which they alleged of the repeal of the tonnage duty on their part is true; and we regretted that it was not in our power to state that this measure had been met by a corresponding repeal on the part of our government. We submit it to the consideration of the President whether our discriminating duties ought not, under existing circumstances, to be repealed with respect to vessels of the Netherlands, and whether that repeal should not have a retrospective effect to the time when the extra tonnage duty ceased to be required here from American vessels. Independent of other reasons, the mutual repeal is at this time clearly in our favor, since the number of American vessels which enter the ports of the Netherlands is much greater than that of Dutch vessels which enter the ports of the United States. Although the King's commissioners refused to accede to a treaty stipulation which should limit the repeal of discriminating duties to the products and manufactures of both countries, it is probable that such a repeal, together with that of the tonnage duty, being conformable to the Act of Congress and to our convention with Great Britain, would at present satisfy this government, and prevent their again imposing their extra tonnage duties on American vessels. But from the repeated declaration of the commissioners in the course of the negotiations, we do not believe, whatever might have been previously the case, that the repeal of our tonnage duties alone would now be thought sufficient.

For further details we beg leave to refer to the enclosed copies of the protocols of conferences and of the correspondence between the King's commissioners and ourselves.

We have the honor to be, very respectfully, your most obedient servants.

GALLATIN TO J. Q. ADAMS.

No. 44.

PARIS, 8th October, 1817.

SIR,—In conformity with my letter of 10th July last, I left this place for the Netherlands on the 19th of July. On my arrival at Bruxelles I found that the King had determined that the negotiations should be carried on at the Hague. Had this decision been made sooner, I would have postponed my journey till the month of October, at which time only the Court and the Minister of Foreign Affairs were to remove from Bruxelles to the Hague. We concluded that the object of our mission would be promoted by holding previous conferences with Baron de Nagel, as a free communication of what we had in view would enable him to give sufficient instructions to the negotiators. These interviews, together with the usual presentations, detained us several weeks at Bruxelles. We afterwards proceeded to the Hague, and closed our conferences on the 20th of September. On the 22d, our despatches having been completed on that day, I left the Hague, and arrived here the 29th, in the evening.

GALLATIN TO EUSTIS, UNITED STATES MINISTER AT THE NETHERLANDS.

PARIS, 9th October, 1817.

DEAR SIR,—The long letter of Messrs. Goldberg and Vanderkemp of 30th September last would not seem, viewing its date, manner, or contents, to require any direct answer. But I agree with you that in order to prevent or correct erroneous impressions it is necessary that you should take notice of it in letter or conversation with Baron de Nagel. Almost every point had been discussed or explained in the conferences, and as what was said on the occasion, being in French, must be more within my recollection than yours, I will repeat in substance the explanations which were thus given.

On the subject of their complaints that our government had not repealed the discriminating duties when they had been re-

pealed in the Netherlands, we observed that the nature of the application, said to have been made in 1815 by Mr. Ten Cate after the old recognition duty of Holland had been repealed, was unknown to us, but that we presumed that he had not been able to assure our government that all extra duties, general or local, were thus repealed in the Netherlands, and that with respect to the administrative measure by which American vessels were exempted from the extra tonnage duty laid by the law of October, 1816, as that fact could not have been known at Washington till after our appointment to treat on that very subject, our government must have necessarily waited for the result of the negotiations before they would act upon it. In reply to the remark that the Act of Congress of March, 1815, had not, in that instance, been carried into effect, it was observed that for the execution of the laws of the United States the President was answerable to his country, and not to any foreign nation; to which observation the Dutch plenipotentiaries acceded. When they alluded to our convention with Great Britain and to their right of being placed on the footing of the most favored nations, we stated that Holland in order to be entitled to the same privileges with Great Britain must give the same advantages, one of which was the admission in the East India possessions without equivalent. The two last observations were made only to repel the demand of the repeal of discriminating duties as a matter of right, and were accompanied by explicit declarations of the disposition of our government, either by treaty or otherwise, to treat Dutch vessels in the United States as favorably as American vessels were treated in the Netherlands.

The complaint that we had not extended the provisions of the treaty of 1782 to Louisiana is the more extraordinary, as not only had the proposal to make this one of the conditions of the new treaty come from ourselves, but we had with perfect candor explicitly stated to Messrs. Goldberg and Vanderkemp that, in point of fact, the Dutch vessels had, from the time when we had acquired Louisiana, been treated there as favorably as in any other part of the United States, and that, on account of our institutions, this would continue to be the case even if there was no new treaty. We told them at the same time that we knew

that considerations of a similar nature would produce the same effect with respect to Belgium, and that we had no doubt that our vessels without any new stipulations would be admitted there on the same terms as in Holland.

We did not attempt to answer the arguments which in the conferences and in their official note the Dutch plenipotentiaries adduced to prove that the geographical situation of Holland forbade their agreeing to a repeal of the discriminating duties limited to the products and manufactures of the two countries. Presuming that they were the best judges of the interest of their country, we thought it sufficient to state on our part the reasons which prevented the United States from agreeing to the stipulation on that subject in the manner proposed by the Netherlands. It would have been more decorous in those gentlemen, particularly considering the date of their letter, to have pursued the same course, and not to have attempted to prove that their proposal would not produce the inequalities and inconveniences which we had stated. Their observations, besides, had been made, discussed, and refuted during the conferences. They had been told that the expense of inland transportation of German goods to Amsterdam had no connection whatever with the subject; that that expense was the same for the citizens of the United States or for the inhabitants of Holland; that the American merchant could not import the calicoes of Switzerland without paying that inland expense of transportation; that those goods delivered at Amsterdam cost the same price to both Americans or Dutchmen; and that, therefore, the merchants of Holland would be able, according to the proposed stipulation, to bring to the United States German goods exactly on the same terms as the American merchants, whilst, as we had clearly stated, the American merchants could not bring to Holland articles not the produce of the United States without paying a double freight, which the Dutch merchants were not compelled to pay, since they could import those articles directly from the place where they grew. We added that the only species of foreign merchandise which from particular circumstances we might, perhaps, be able to import in common times, though loaded with that double freight, were the tea and other products

of China; and that those, tea-company or other similar internal regulations would interfere so as to prevent our sales. To the observation that in point of fact we did actually continue to import foreign articles in the Netherlands, we replied that this was owing to temporary circumstances, and that the whole negotiation was grounded on the expectation of a speedy revival of the maritime commerce of Holland; in which case circuitous importations never could be made on equal terms with direct ones.

When at the last conference the subject of lands owned by inhabitants of Holland in the United States was brought forward, we stated, 1st, that we considered that subject as belonging more immediately to the States' authorities, and that the stipulations entered in some of our former treaties, which were no longer in force, had been found inconvenient, and had not been renewed; 2dly, that, by the general law of the land, aliens could not in the United States acquire or own land; that it was by virtue of certain special laws of the States of New York and Pennsylvania that aliens had been permitted to purchase, and that inhabitants of Holland had actually purchased, lands; that those laws were from the beginning expressly limited to a number of years, which had now expired; that the foreign purchasers knew that limitation when they made the purchase, and they were now precisely in the same situation as citizens of the United States, who could no more than the members of the Holland company sell the lands they owned to foreigners.

On a review of the letter of the 30th of September, I find that the only point which was not fully discussed, although it was once mentioned in the conferences, relates to our high duties on importations. I have not received a single document relative to the subject of a date subsequent to the peace. But my knowledge of details previous to the war and some general facts of a subsequent date enable me to say that neither can our duties, a few articles excepted, be considered as amounting to a prohibition, nor is the diminution of our consumption of some articles, the produce of Holland, to be principally ascribed to those duties. It is a notorious fact that, notwithstanding those duties, we consume, in proportion to our population, a greater quantity of foreign manufactures than any other nation. The

duties received in 1816 have exceeded 36 millions of dollars. We have been overwhelmed with importations of foreign linens and cloth and cotton goods, to the destruction of many of our own new manufactures. If the linens and the cloth of the Netherlands have not been imported, it must certainly be due to other causes than the duties. Two articles which were mentioned in the conferences, madder and thread or silk laces, pay the lowest rate of duty,—7½ per cent. ad valorem. It would not be astonishing that the consumption of foreign cheese and spirits distilled from grain should have been lessened in America: it is more extraordinary that any should still be imported, considering the price of land, of cattle, and of rye and barley. If a sensible diminution has taken place, it is owing to the great improvements made during the last twenty years in the United States in the manufacture of cheese and of spirits. The consumption of Dutch cheese and gin is a mere matter of fancy and luxury, which is not much arrested by the duties; and I doubt altogether the assertion that it has been lessened. The fact certainly was not so a few years ago, before the decrees of Bonaparte and the orders in council interrupted the natural course of commerce. But it must be acknowledged that Holland has, in one respect, some right to complain, although the plenipotentiaries have not mentioned the fact in their letter. We have laid a duty of four to five cents more per gallon on spirits distilled from grain than on rum or brandy. This extra duty, which falls exclusively on Holland gin, is not wanted for the protection of our distilleries, and is doubly unjust, as the duty is specific, and gin is the cheapest of all spirits.

All this is for yourself. What objects your communication to Mr. de Nagel should embrace you are the best judge. But I think that it should be in writing, and that, whilst you animadvert on the manner and arguments of the last letter, it must not be forgotten that the maritime poverty of Holland does for the present give, in all negotiations, an advantage to its government over ours. They care but little for our extra duties, so long as one hundred American vessels visit their ports for one from the Netherlands that enters ours.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 46.

PARIS, 10th October, 1817.

SIR,—In the last conference held at the Hague, the plenipotentiaries of the Netherlands said that probably they would address another note to us, principally for the purpose of giving us a clear statement of their laws and regulations now in force with respect to our trade both with the kingdom in Europe and with the Dutch colonies. We observed that this course, during the suspension of the conferences, was not regular, and that we would be separated and could not make any official answer. They assured us that what they intended to write would require no answer from us.

On the 30th of September they addressed a letter to us, which was delivered to Mr. Eustis, and which is far from according with our understanding on the subject. I enclose a copy of it, and also copies of Mr. Eustis's letter to me and of my answer.

I have, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 27th October, 1817.

MY DEAR SIR,—Your interesting letter of the[1] has been received in due time.

The views which it presents in relation to the country where you reside, as well as to this, are highly interesting.

I see that the question of further reducing the allied forces in France has been agitated, and said to be decided in the negative. It is said in the newspapers that this decision has been the result of the representations of the Duke of Wellington, who is made to say that any further reduction of that force would render it unequal to the maintenance of the Bourbons on the throne.

I am by no means disposed to question the correctness of this

[1] None of Mr. Gallatin's letters to Mr. Crawford have been recovered.

opinion, but the policy of keeping any monarch upon a throne for an indefinite series of years by means of a foreign military force, when there is no competitor for that throne, may well be questioned. It appears to me that the retention of this force within the limits and at the expense of France, on the plea that it is necessary to the preservation of the monarch, cannot fail to increase and prolong that necessity. So far as the restoration of confidence between the King and people is desirable, it would be much better to place this delicate question upon the explicit ground of conventional rights, than to make the safety of the King to depend upon the oppression of the kingdom by a foreign force. If this ground has been assumed and avowed, it will be difficult to convince the nation of the sincerity of the exertions of the King to rid them of so heavy a burden, of so shameful a yoke.

I am inclined to the opinion you have expressed, that during the lifetime of the King no effort will be made by the nation to expel him from the throne; but the moment of his death will be the period of new convulsions. I most sincerely hope he may outlive the residence of the allied troops in France. If new efforts are to be made for the preservation of some of the *good fruit* of the revolution, I wish they may be made under the happiest auspices. I see that, at the opening of the session of the Legislature in 1815, the members of the blood royal, including the Duke of Orleans, took their seats in the House of Peers. I see that the Duke precipitately left France a short time after having taken his seat. I presume his retreat was the result of orders from the King. Did the other members of the royal family withdraw from their seats at the same time? Cannot you procure me a copy of the suppressed and, I presume, the last number of the Causeur?

The accruing revenue from the customs for the present year will exceed eighteen millions. We have purchased and redeemed about fifteen millions of the public debt since the first day of January. The redemption of the Louisiana debt is all that can be effected before the year 1825, unless Congress shall direct the redemption of the five per cent. stock subscribed to the bank, or permit the commissioners to purchase the debt at its current

value. Unless one or both of these ideas are acted upon, there will be a surplus in the sinking fund annually of more than five millions of dollars from the year 1819, when the Louisiana debt will be discharged, until the year 1825, besides a general surplus of nearly the same amount if no reduction is made in the revenue by Congress. There is now in the Treasury upwards of six millions, which will probably be increased to nearly eight by the first day of January, 1818. With this amount in the Treasury, we could pay off the whole of the Louisiana debt next year, if the terms of the convention will permit it; but there is no doubt of our right to pay it off during the year 1819.

If, then, we do not involve ourselves in a Spanish war, we shall have a superabundance of revenue, unless we engage extensively in a system of internal improvements. I do not know whether Mr. Monroe entertains the constitutional scruples which governed Mr. Madison in the rejection of the bill on that subject on the 3d day of March last. That bill, as you observe, was bad enough; so bad that I did not wish it to pass. I presume the subject will be renewed during the next session, and trust that it will assume a form less objectionable than the one rejected by Mr. Madison. If nothing of this kind takes place, the internal taxes will be repealed. Indeed, I am by no means certain that the adoption of an extensive system of internal improvements will save the internal taxes. The sales of the public lands are increasing with a rapidity wholly unexampled. After the present year they may be safely set down at $3,000,000; but until the Yazoo stock is absorbed not more than half that amount will go into the Treasury. The sales in the Alabama Territory during the next year will probably absorb the greatest part of the Mississippi stock. The last payment to the State of Georgia is now ready to be made.

From this view of the Treasury operations you will perceive we are on the brink of the enviable situation which Mr. Jefferson supposed us to be in about the close of his Presidential career, viz., of finding out new objects of expenditure, or of reducing the revenue to that at present authorized by law.

I wish I could say as much in relation to other views which may be taken of the political state of the country. The War

Department is not yet filled. It has been offered to Mr. Lowndes and declined. Mr. Calhoun's answer to the offer which has been made of it to him is daily expected. Should he decline, it will be tendered to Judge Johnston, of the same State, who it is supposed will accept it.

The President's tour through the East has produced something like a political jubilee. They were in the land of steady habits, at least for the time, "all Federalists, all Republicans." If the bondmen and bondwomen were not set free, and individual debts released, a general absolution of political sins seems to have been mutually agreed upon. Whether the parties will not relapse on the approach of their spring elections in Massachusetts can only be determined by the event.

In this world there seems to be nothing free from alloy. Whilst the President is lauded for the good he has done in the East by having softened party asperity and by the apparent reconciliation which for the moment seems to have been effected between materials the most heterogeneous, the restless, the carping, the malevolent men in the Ancient Dominion are ready to denounce him for his apparent acquiescence in the seeming *man-worship* with which he was venerated by *the wise men of the East.*

Seriously, I think the President has lost as much as he has gained by this tour, at least in popularity. In health, however, he seems to have been a great gainer.

The papers will give you the result of the Pennsylvania election of governor: it is not considered brilliant. Should that State fall into the hands of the Quids and Feds, De Witt Clinton enters the list this time three years with Mr. Monroe. The change is certainly possible.

Mr. Clay has spent the summer in the city with his family. It is said, and with an air of probability, that the City Gazette, which is now a daily paper, is to be under his control. If this is the fact, the Administration or some of its members must look out against squalls.

Whether the new Secretary of State is aware of the connection which Mr. Clay is supposed to have with this paper, I know not; but it is certainly a fact that he has given to the editor the

publication of the laws. This measure may ward off the blow some time, if any was intended against him.

I presume Mr. Clay, if he has formed this connection, has not definitively arranged his mode of operation. His plan will probably be to assail the strongest as soon as he discovers him. Whether his shafts will be directed against Massachusetts or New York, or elsewhere, will depend upon circumstances yet to be developed.

I wish most sincerely that the present state of political feeling was less auspicious to this kind of adventure. We must, however, content ourselves with things as they are.

Mr. Clay has announced his determination to bring the recognition of the new state of Buenos Ayres before Congress. He will, I presume, connect his popularity with this question. Although it is strictly of an Executive nature, and seems hardly susceptible of being brought within the legislative competence of Congress, I believe the course contemplated by Mr. Clay will not be unacceptable to a part of the Cabinet at least. For myself, I would rather see the House of Representatives employed upon subjects which are strictly within their constitutional powers. That branch of the Legislature, when headed by turbulent and able men who are adverse to the Executive Magistrate, will be strongly impelled to trench upon the Executive powers.

I do not believe there is any danger of anything of this nature at this moment; but a precedent may be set on this occasion which may in the end do much mischief.

Present my respects to Mrs. Gallatin and the other members of your family, and believe me to be, most sincerely, your friend, &c.

JEFFERSON TO GALLATIN.

MONTICELLO, February 15, 1818.

DEAR SIR,—I take the liberty of putting under the protection of your cover a letter to Cardinal Dugnani at Rome, in the hope that through the nuncio resident at Paris it may find a

sure conveyance to him. In return for this trouble I wish I could give you any news which would interest you, but, withdrawn entirely from all attention to public affairs, I neither know nor inquire what Congress are doing; you will probably know this better than myself from the newspapers, which I have ceased to read in a great degree. A single measure in my own State has interested me much. Our Legislature some time ago appropriated a fund of a million and a half of dollars to a system of general education. After two or three projects proposed and put by, I have ventured to offer one, which, although not adopted, is printed and published for general consideration, to be taken up at the next session. It provides an elementary school in every neighborhood of fifty or sixty families, a college for the languages, mensuration, navigation, and geography within a day's ride of every man's house, and a central university of the sciences for the whole State, of eight, ten, or twelve professors. But it has to encounter ignorance, malice, egotism, fanaticism, religious, political, and local perversities. In one piece of general information, which I am sure will give you pleasure, I can add mine to the testimony of your other correspondents. Federalism is substantially defunct. Opposition to the war, the Hartford Convention, the peace of Ghent, and the battle of Orleans have revolted the body of the *people* who called themselves Federalists against their leaders, and these have sunk into insignificance or acquiescence under the government. The most signal triumph is in Connecticut, where it was least and last expected. As some tub, however, must always be thrown out to the whale, and a religious one is fittest to recall the priesthood within their proper limits, the questions of Unity and Trinity are now set afloat in the Eastern States, and are occupying there all the vehemence of the genus irritabile vatum. This is food for the fools, amusement to the wise, and quiet to the patriot, while the light of the age will prevent danger from the flame it kindles. The contest, too, must issue in the triumph of common sense over the unintelligible jargon of Gothic fanaticism.

Ever and affectionately yours.

JEFFERSON TO GALLATIN.

MONTICELLO, April 9, 1818.

DEAR SIR,—I avail myself, as usual, of the protection of your cover for my letters: that to Cathalan need only be put into the post-office; but for that for Appleton I must ask the favor of you to adopt the safest course which circumstances offer. You will have seen by the newspapers that there is a decided ascendency of the Republican party in nearly all the States—Connecticut decidedly so; it is thought the elections of this month in Massachusetts will at length arrange that recreant State on the Republican side. Maryland is doubtful, and Delaware only decidedly Anglican; for the term Federalist is nearly laid aside, and the distinction begins to be in name what it always was in fact, that is to say, Anglican and American. There are some turbid appearances in Congress. A quondam colleague of yours, who had acquired some distinction and favor in the public eye, is throwing it away by endeavoring to obtain his end by rallying an opposition to the Administration. This error has already ruined some among us, and will ruin others, who do not perceive that it is the steady abuse of power in other governments which renders that of opposition always the popular party. I imagine you receive the newspapers, and these will give you everything which I know; so I will only add the assurances of my constant affection and respect.

GALLATIN TO J. Q. ADAMS.

No. 67.

PARIS, 27th April, 1818.

SIR,—You will see in the Moniteur of yesterday the result of the negotiations respecting the private claims of subjects of the several European powers against France. She is to pay in the whole a gross sum in five per cent. stock of 320,800,000 francs, yielding therefore an annuity of 16,040,000 francs. In my despatch of 16th January last, I had stated 15 millions as the amount which the French government had determined not

to exceed. But one million has been added by a special agreement with Spain, which is intended to be applied to the claims of French subjects against that country for property sequestered since the restoration of Ferdinand VII.

Although the French government has obtained as favorable terms in that respect as had been expected, the hope of a simultaneous stipulation for the withdrawing of the army of occupation in the course of this year has been disappointed. The final decision on that subject is referred to the congress of Dusseldorf or its vicinity, which will take place in September, and at which the two Emperors and the King of Prussia are expected to assist. I have, however, no doubt that if no new incident shall in the mean while take place, the evacuation of the French territory will at that time be agreed on, taking the 24 millions of *rentes* asked from the Chambers for that object in payment, or as a security for the payment, of the two last years of the war contribution, and of some arrears due on account of the army of occupation.

I had, in my letter of the 2d of January last, mentioned that I would wait for an answer from your Department to my despatch of the 23d of April, 1817, before I took any new steps on the subject of our own claims, and I had no expectation that a new application would at this moment prove successful. Yet it appeared that to remain altogether silent at the moment when an arrangement for the claims of the subjects of every other nation was on the eve of being concluded, might in some degree be injurious to the rights of our citizens. It was also apprehended that in their public communications the Ministers of the King, wishing to render the new convention as palatable as possible, might announce to the nation in general terms that all the foreign claims of individuals were now satisfied. These considerations induced me to address to the Duke de Richelieu the note of the 3d instant, of which I have the honor to enclose a copy,[1] as well as of that by which he acknowledged the receipt of mine. You will perceive that in his communication to the

[1] This note will be found in American State Papers, vol. v. (Foreign Relations) 290.

Chambers (which has been inserted correctly in no other newspaper than the Moniteur) he has expressed himself in the following terms: "France (by this payment) is liberated, both as to principal and interest, from all the debts contracted towards the subjects of the other *European* powers prior to the 20th November, 1815." The consideration of our claims is not, therefore, barred by anything which has taken place; but there is not yet any disposition to take up the subject. I have reason to believe that the fraction of 40,000 francs annuity, equivalent to 800,000 francs capital, which has been added to the 16 millions of rentes, is given to Portugal as an indemnity for vessels burnt at sea by Admiral Lallemant,—a species of claims which the French government has always appeared disposed to admit, if standing alone. But, with that single exception, there is no claim embraced by the late conventions of a nature similar to ours. They are all for debts recognized or contracts made by the former government of France. Sweden presented a claim for spoliations made on her commerce when she was a neutral nation, which has been expressly rejected as not coming within the scope of the conventions of 1815; and, as her subjects had no other claims, she receives nothing in the distribution of the gross sum now allowed by the late convention. Yet the Swedish chargé has informed me that most of the vessels for which the claim was made had been actually acquitted by the council of prizes. Having always been aware of the nature of the conventions made by the allied powers, care was taken in my note of the 9th November, 1816, to the Duke de Richelieu, to guard against any inferences which might thence be drawn against our claims.

Notwithstanding these unfavorable appearances, as circumstances may unexpectedly arise which would render some arrangement practicable, I beg leave to request some further instructions on the subject. Referring to my former communications, and more particularly to my note to the Duke de Richelieu of the 9th November, 1816, and to my despatches to your Department of the 20th January and 23d April, 1817, I will only add that the three principal questions on which I do not feel sufficiently instructed are these: 1st. Can the claims for condemned property be abandoned if France shall consent to settle those for vessels

burnt at sea, and for property not definitely condemned? 2dly. May payment for these be accepted in stock at par, abandoning also the arrears of interest? 3dly. What gross sum in stock, to be distributed by our own government, might be accepted in lieu of all claims?

I have the honor, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 1st May, 1818.

DEAR SIR,—The papers which have been forwarded to you by the State Department will have kept you informed of the measures of the government during the recent session of Congress. The laws enforcing the neutral relations of the United States have been revised, consolidated, and rendered more equal in their operation, and consequently more just and conformable to the principles of good neighborhood.

The perseverance of the British Ministry in excluding us from the commerce of the West India Islands has at length produced a measure on the part of this government which is to take effect on the 1st of October next. The unanimity with which the measure has been adopted is a guarantee that it will not be lightly abandoned. It is perhaps known to you that last spring four propositions were submitted by the British Ministry to Mr. Adams, tendering under certain restrictions a participation in the West India trade to American shipping. These propositions were transmitted by Mr. Adams to the State Department, with a declaration that they presented no basis upon which to form an arrangement, even for the short time which the commercial convention had yet to run. As Mr. Adams had declined acting upon them, and would have taken his departure from London before instructions could be sent to him, no effort was made to effect anything under these propositions. I, however, stated my opinion to the President that a successful result might be anticipated from an effort to negotiate on the basis presented by the British Ministry. In framing Mr. Rush's instructions during

the absence of the President, Mr. Adams was directed to call upon me in order to receive my views of the subject, for the purpose of framing an instruction upon the basis presented. I declined entering into an explanation of my views, upon two grounds: 1st. That Congress was upon the eve of its session, when it was probable the subject would be acted upon, and no good could result from its being the subject of legislative deliberation and of diplomatic discussion at the same time. Another inducement to this course had been produced by the submission of the propositions themselves by Mr. Rush to several intelligent merchants, who had given their opinions against them as less advantageous than the probable effect of legislative measures which might be with safety adopted. From the reasoning presented in these opinions, it was manifest that several of them had misconceived their effects; yet this circumstance did not offer any inducement to weaken the considerations which have been previously presented.

It is probable that this measure may hasten the negotiations for a definitive arrangement, in anticipation of the expiration of the commercial convention between the two countries. I do not know what are the views of the President upon this subject. My own impression is that we should not move in the business, but that we should be perfectly prepared to meet them with a spirit of conciliation upon this subject. As I have not the most unlimited confidence in the judgment of our minister there, I shall suggest the propriety of provisional instructions being sent to you to join him upon the presentment of any serious proposition to negotiate upon this question. My opinion of Mr. Rush is not as unfavorable as many of my countrymen, especially in Congress. As a man, I have a great regard for him; but as a statesman, I think him deficient in judgment, and of confidence in his judgment. Perhaps the latter defect is more dangerous than the former.

The bill to provide for the support of the Revolutionary soldiers may give us a degree of celebrity in foreign countries, but I am persuaded that it will not add much to our fame at home. It will in fact be a general provision for the poor in the States to the east of Pennsylvania. $300,000 have been appro-

priated for that object, but it is generally believed that three times that amount will be insufficient for it.

News from Rio Janeiro presents us with a very unfavorable view of the temper of the Portuguese government. Perhaps the reception which our commissioners received there may predispose the Independents at Buenos Ayres to give them a more friendly greeting than they otherwise would have received from them.

We have just received from Mr. Erving a manifesto of the Emperor Alexander, dated at Moscow the 26th November, upon the subject of quarrel between Spain and Portugal, and between the former and her colonies. At that date it seems that the suppression of the insurrection at Pernambuco was not known at Moscow. The plain English of this manifesto, if it admits of explanation, is that the allied sovereigns are not agreed among themselves upon the principles of pacification to be offered to Spain and her colonies; that the Emperor fears that they will not agree upon any terms; that the views of England and Spain particularly are adverse, and that the Emperor is disposed to take part with the Spaniard. His appeal to the pride, the consistency, the justice, and the magnanimity of the allied sovereigns to concert together the means of applying the principles of the European confederacy to the first practical case which has presented itself, as the only means of giving the lie to the sinister motives which had been attributed to it, could have been the result only of a strong impression that the occasion was likely to confirm the predictions which had been uttered upon that subject. As I have not seen the propositions of the English Cabinet, nor even the letter of Mr. Erving communicating the paper already described, I may have formed an inaccurate idea of it. With such lights as I possess, I can make nothing of it beyond what I have communicated.

I see that the law regulating the liberty of the press was rejected in the House of Peers (not the law regulating the journals). Was this rejection effected by the Liberal party? and is the effect of the rejection beneficial to that liberty? Why has the King rejected the bill for recruiting the army? Was it radically changed in either House? Upon what ground was it rejected?

Captain O'Connor brings with him bills to the amount of $1200 for the purchase of books for the Treasury. Not having a catalogue of any kind to refer to, it is impossible to make a selection at this place. I have referred him to you, and have to request that you will make a selection of such French authorities as may be useful. If there is any recent work showing the changes, if any, which have taken place in the relative value of silver and gold in Europe, I should be glad to obtain it.

I will also thank you to aid Mr. Jackson in the selection of English authors relative to finance, trade, manufactures, &c., &c., &c. I wish the selection to be appropriate for the object for which it is designed.

You will see that George W. Campbell succeeds Mr. Pinkney. It was offered to Mr. Lowndes, with the option of going there or to Constantinople. Upon his declining both, I advised the President to decline the latter, as I knew of no person whose personal popularity would silence opposition to it. The Speaker, who has laid about him most furiously through the whole session, had declared open hostility to the measure. If, however, Lowndes had accepted, he would have been silent on his account.

The session, which was stormy in the extreme, terminated as amicably as could have been anticipated. I am not certain but that I may be correct in saying that no irrevocable breach has yet taken place in the Republican party. The minority in which the Speaker found himself upon the South American question has convinced him that he will not be able to rally a force upon that question. If he is determined upon opposition, he may, if judicious, find a fitter occasion to rally his forces by waiting patiently and relying upon the chapter of accidents.

His enemies charge him openly with having coalesced with Governor Clinton. It is to be regretted that circumstances have occurred during the session calculated to give some degree of currency to the charge.

The President has not enjoyed good health during the winter. He postpones his Southern tour until the next year. Probably he will make an excursion to the West during the summer.

Present me respectfully to the members of your family, and particularly to Mrs. Gallatin. Mr. Macon requested me to pre-

sent his respects to you and Mrs. Gallatin when I should write.

I remain, dear sir, your most obedient servant.

CRAWFORD TO GALLATIN.

WASHINGTON, 2d May, 1818.

DEAR SIR,—In selecting books for the Treasury library I wish to call your attention to the subject of canals. In France and England information of this kind may be obtained which may be useful to this country whenever a system of internal improvements shall be commenced upon national principles. You will perceive by the vote upon this subject that nothing of this nature is to be expected from the present Congress. Judging, however, from the sectional feelings which have been elicited by the recent discussions, the time is not distant when the public resources will be applied to that object. The Western States were nearly unanimous in favor of such an application. Every new State will add to the number of advocates of the measure. It is highly probable that a different result would have been obtained but for the fear of rendering the imposition of internal taxes again necessary. The appropriations contemplated at the time of the decision of the question were large, and, indeed, those made have so far exceeded the estimates that I believe the Treasury will be nearly empty when Congress meets again.

Notwithstanding the refusal of the House of Representatives to appropriate or pledge any fund for internal improvements, and their decision that they had no right to construct roads or canals, they have directed the Treasury and War Departments to report to the next session the roads and canals which may be deemed necessary in a commercial or military point of view. It will no doubt be expected that some estimate of the expense will be presented in these reports. If the materials for such an estimate cannot be obtained in France and England, I fear that any estimate founded upon the data resulting from works of that

nature will be very imperfect. If the length of the different canals cut in France and England, with their breadth, depth, and number of locks, with their dimensions, and the whole cost of each, could be obtained, the means of making an estimate tolerably accurate would be acquired. The difference in the price of labor in the different countries would form no obstacle in forming the estimate. To be of use in making the contemplated report, no time should be lost in transmitting the works showing the cost, &c., of the canals in France. From England perhaps they cannot be obtained in time to be useful in the report, which must be made in the early part of the session.

It is understood that Mr. Crowninshield will resign in the course of the summer. He was treated most cruelly in the House of Representatives during the discussion of the bill to increase the salaries of the Secretaries. The poor opinion entertained of his talents, and his living in a boarding-house during the session, and return and residence at Salem during the greater part of the year, hung heavily upon the bill, and no doubt had considerable influence upon its ultimate fate.

There will be some difficulty in making a selection to fill the vacancy. Judge Van Ness (who, it is said, would have been selected originally had he retired) has been violently assailed during the session, and is hung up by cunning of young Spencer and Talmadge to public odium, at least until the middle or latter end of next session.

The Speaker seems to have leaned strongly to this course, and has formed strong and explicit opinions unfavorable to the character of the judge. Of the correctness of these opinions I am not capable of judging. Under such circumstances it will hardly be possible for Mr. Monroe to call him to the Cabinet.

There is no person in the Western country qualified for the place, nor, in fact, does there seem to be any person anywhere who presents himself under an imposing attitude.

Present me respectfully to Mrs. Gallatin and to every member of your family, and accept for yourself the assurance of my highest regard.

I remain yours, &c.

GALLATIN TO RICHARD RUSH, United States Minister in England.

Paris, June 3, 1818.

Dear Sir,—Your letter of the 18th ult. has been duly received. Reports similar to that which you communicate had also reached me from other quarters; but I think that I have been able to trace them to their source, and that they must be ascribed to the cupidity of persons formerly concerned in privateers, and who wished to be ready to prey on our commerce in case of hostilities taking place between us and Spain. However unwise the councils of that country may be, we can hardly suppose that folly should go the length of commencing war at this moment against the United States. Such a measure being also in direct opposition to the present policy of the great European powers, would certainly be prevented by them. But, indeed, every step lately taken by Spain evinces a disposition to preserve peace with us. Mr. Meade's liberation, and the motives assigned for it, the determination to cede Florida to us, though not on admissible terms, an application made to France (since our rejection of the mediation of Great Britain) that she should interpose her good offices, and various other occurrences, might be adduced as evidences of that disposition. If you add to these the critical situation of Spain with respect to all her American colonies and the still doubtful issue of her protracted negotiations with Portugal, it appears almost impossible that there should be any solid foundation for those rumors of an approaching rupture with us, which have been spread both in England and in France.

As to Great Britain, there will be great difficulties in obtaining any reasonable arrangement either for the colonial trade, the fisheries in the Gulf of St. Lawrence, or maritime rights. Yet, so far as I can judge, it appears to me that there is at this time in the government of that country a more favorable disposition towards the United States than had existed at any former period. At all events, they have not for the present any wish to quarrel with us.

Here everything goes also, for the present, better than had been expected. Having myself little, I might almost say no-

thing, to do for our country, I have leisure enough to observe what is done by others. Of that little the prosecution of our claims for spoliations constitutes the greater and most irksome part; and, as indirectly connected with that subject, I should wish to know whether we have altogether abandoned our claims against Great Britain for spoliations committed under her orders in council.

This letter will be delivered to you by Mr. Baring, with whom I have been long personally acquainted. You will find him a true and loyal Englishman, but perfectly well informed on the subject of America, and with more friendly and liberal dispositions towards her than any of his countrymen, at least within the circle of my acquaintance.

I have the honor to be, with great and sincere respect, dear sir, your most obedient servant.

GALLATIN TO J. Q. ADAMS.

No. 79.

PARIS, 20th July, 1818.

SIR,—I had the honor to receive your despatch No. 6, dated 22d of May last, informing me of the intention of the President to commit jointly to Mr. Rush and to me the trust of a negotiation with the government of Great Britain. The full power which was announced, and without which the negotiation cannot be opened, was not, however, transmitted along with your despatch.

Mr. Rush's letters of 2d and 6th instant, and my answer of the 13th, copies of which are enclosed, will show all that has as yet passed on the subject. I infer that if he finds Lord Castlereagh not disposed to treat on the other subjects, and willing only to prolong for some time longer the existing convention, my presence will not be deemed necessary. No effort, in the event of a negotiation, will be wanted on my part to promote its success; but with its difficulties no one is better acquainted than the President and yourself.

Permit me, in the mean while, to request you to express to

the President my grateful sense of this additional proof of confidence.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 81.

PARIS, 22d July, 1818.

SIR,—The account of the capture of the Fort St. Mark, and the report of the occupation of Pensacola by General Jackson, have excited some sensation here. Several merchants have waited on me to inquire whether there was any danger in making shipments to the United States; and 3 per cent. additional have been asked to insure against war risks. Although, from the nature of the case, and from the tenor of your despatch No. 5, I was led to presume that if General Jackson had occupied Pensacola it was without orders, yet, having no positive knowledge of the intentions of government, I have avoided speaking in a manner which might commit us. I only said that the government of the United States had no intention whatever to occupy forcibly Spanish Florida, or to begin hostilities; that whatever might have been done by its orders was only in self-defence and for the necessary protection of our citizens against the Indians. The Duke de Richelieu, after the capture of St. Mark's alone was known, observed that we had adopted the game-laws, and pursued on foreign ground what we started on our own. He added immediately that it was extremely desirable that our differences with Spain might be arranged before the meeting of next Congress; alluding to the danger of our recognition of the independence of the colonies. The fear of this and the other embarrassments of Spain will probably prevent her and her friends from resenting by actual hostilities what may have been done on our part. But it must not be concealed that neither the forcible occupation of places to which we lay no claim, nor the execution of Indians, or even white men, who have been made prisoners in the Indian war, will tend to increase the consideration which the United States now

enjoy, or to promote their interest, unless the necessity of the acts shall have been fully established.

GALLATIN TO J. Q. ADAMS.

No. 84.

PARIS, August 10, 1818.

SIR,—The authentic account of the capture of Pensacola made here a strong and general impression. Such an event would hardly have been noticed some years ago, but at this moment of general peace an act of hostility, which might be considered by the other party as actual war, could not fail to attract general attention. Not knowing whether that act would be disavowed or justified by my government, all I could do was to try to soften the first impression, with the view of preventing, as far as practicable, any immediate commitment of opinion on the part of some of the allied powers, or any sudden inconsiderate act of retaliation on the part of Spain. To the ministers of those powers who have most influence over her I said that, although wholly uninstructed on the subject and knowing the event only through the channel of the newspapers, I could assert that it had not been anticipated by the government of the United States, and that no instructions had been given directing General Jackson to take forcible possession of the place; that such, however, might have been the conduct of Spain with respect to our Indian enemies as to have rendered the occupation of Pensacola necessary; and that she was bound by treaty to restrain by force the Indians within her territory from committing hostilities against our citizens, an engagement which she had failed altogether to fulfil. Besides making these verbal observations, I transmitted to the Duke de Richelieu copies of the President's message of the 25th of March last, and of the 5th Article of our treaty with Spain. In a conference which I had with him on the 7th instant, we entered at large on the subject both of our affairs generally with Spain and of the questions connected with her colonies. He expressed much grief and astonishment at the capture of Pensacola; but his language was moderate and

friendly. He dwelt on the importance of a speedy amicable arrangement of all our differences with that country, and on the interest that France took in the subject; and alluded to the advice which had been given to Spain in that respect. He then added that he thought, however, our pretensions in regard to our western boundary exaggerated, and our demands for spoliations too hard on Spain, considering her dependent situation when they took place. He seemed to consider La Salle's settlement in Bay St. Bernard as the result of accident, and to be of opinion that any claim derived from it had been virtually abandoned by the long acquiescence of France in the Spanish establishments in the province of the Texas; but he made no observations on the subject of the eastern boundary of Louisiana as claimed by us. I stated briefly in answer the general grounds on which our demands were founded, and referred him for more details to your late correspondence with Mr. Onis, of which he had only seen partial extracts, and which I promised to send him entire. Knowing what had formerly been communicated by Mr. Roth on the subject of the eastern boundary, I said, notwithstanding the Duke's silence in that respect, that we considered our claim in that quarter as so unquestionable that it would be useless to urge again the opposite pretensions of Spain I then observed that most of the topics of discussion would, in the case of the cession of Florida to us, be merged in the single question of the western boundary; that we would never abandon our right to any part of the territory described in Crozat's charter, —that is to say, of that situated on any of the waters emptying into the Mississippi or Missouri,—and that as to the territory south of the Red River and bordering on the Gulf of Mexico, there could be no difficulty if Spain was sincerely disposed to make an arrangement with us in fixing a boundary convenient to both parties. Although the Sabine was mentioned in the letter of the Department of State to me of the 1st of June, 1816, I thought it premature to give any expectation that a boundary so near to our settlements would be accepted. My wish was only, by simplifying the question, to fix the attention on a single point, which France, if really anxious to promote an arrangement, might press on Spain. It is necessary to observe that,

notwithstanding the contents of that letter, I had never before thought it convenient to discuss with this government the subject of our Spanish relations. With the knowledge of the personal political bias which exists here towards Spain, I thought it best to wait until they should open the subject. And, to prevent any mistake on the object of the conversation, I asked whether Spain had applied to France for her mediation, stating explicitly that, whilst we were disposed to give her as a common friend frank and full communications of our views, the mediation of no foreign power, not even of France, could be accepted. He disclaimed any intention of offering it, but acknowledged that Spain had lately applied for the good offices of France, and particularly wished her to give explanations on some points, which he left me to presume were those to which he had alluded. I told him that the best office that France could render Spain would be not to encourage her in her pretensions, and to urge the importance to her of an early arrangement. He said she did not always listen to advice; complained of her conduct in several respects; and said that he had written the day before to know why they had given him to understand that the negotiations were now carried on at Madrid, which, from my total ignorance, he must presume not to be fact. Although, as far as can be judged from appearances, France is in earnest to promote an arrangement, it is consistent with that plan to induce to lower our pretensions, and, although I have tried to discourage the attempt, she may perhaps think herself under the necessity of making some representations through her minister at Washington. Her great object in what she may do will be to serve Spain, and the knowledge and fear of our influence in the affairs of the Spanish colonies are the principal motives of her interfering in any respect. On the subject of the proposed mediation between Spain and her colonies, the Duke de Richelieu said that nothing positive was done, and that, in his opinion, nothing efficient could be done without us; he wished, therefore, to know what were our views in that respect. I answered that, nothing having been communicated to our government by any of the powers concerned in the mediation, no official communication could be expected from us; that whenever the allied powers, or

any of them, should think proper to state their views on that subject, the overture would be met with a corresponding frankness; and that it appeared desirable in every respect that such free and mutual communications should take place. In the mean while, it was due to candor to say that, so far as I was able to judge, no expectation could be entertained that the United States would become parties in the proposed mediation, much less that they would accede to any measures having for object the restoration of the supremacy of Spain over the colonies which had thrown off her yoke. I added that it was understood that the allied powers did not intend to use force in order to compel the parties to accept their mediation, and that it appeared to me alike impracticable to obtain the consent of Spain to such liberal basis as it was intended to propose, and to persuade the inhabitants of the colonies to trust her and place themselves at her mercy. The Duke dwelt on the want of union among the insurgents, on their factions and weakness, on their unfitness for liberty, and on their incapacity of forming any permanent government whatever; he then suggested that if some prince of the Spanish family (the son of the ci-devant Queen of Etruria was mentioned) was sent over to America as an independent monarch, it might reconcile the inhabitants and be consistent with our views. I answered that on that last point my government alone could decide; that with the form of government which suited the colonies, or which any of them might select, we had nothing to do; that it was only to the preservation of their independence that I had alluded; and that it appeared to me doubtful whether a Spanish prince would be considered as securing that. As to the capacity of the colonists to form a government sufficient to carry on their business and to entertain foreign relations, I expressed my astonishment that any doubt could exist on that point, and mentioned San Domingo as a proof that even slaves could establish governments of their own, totally independent, at least of their masters. If there was any chance that Spanish America could be kept much longer under the dominion of Spain, why did she not do at once, where she was still in possession, that which was to be offered by the mediators to the insurgent colonies? No mediation was required for that; and

nothing prevented her from opening the commerce of Cuba, Mexico, and Peru, from introducing in these, the three most productive and important of her colonies, all the improved administration, all the liberal laws and institutions, which were held out as the basis of the mediation. To these last observations the Duke of Richelieu seemed to assent, and to blame Spain for not pursuing a wiser course. But, after all, they cannot yet here reconcile themselves to the general and unavoidable emancipation of America. I had, at the request of the Russian minister, an interview with him yesterday, which embraced the same topics and had nearly the same aspect. This is not astonishing, considering the intimacy which exists between Russia and France, and more particularly between this Cabinet and Pozzo. (Of this I cannot give a better proof than by stating that he had read the whole of the correspondence of Mr. Hyde de Neuville with this government. It is, by the by, friendly to us, and has made a favorable impression here.) Still, there were some differences and additions. Pozzo still insists that our negotiation has been renewed at Madrid. He said that there were difficulties in our obtaining Florida, but did not explain whether they came from Spain, England, or his own Court. He considered the plan of sending a Spanish prince to America as chimerical; complained bitterly of the folly of Spain, and appeared to me to have almost abandoned the hope that a mediation would be agreed on. On the subject of Pensacola he expressed himself in the same manner as the Duke of Richelieu, and assured me positively that Russia had earnestly urged Spain to conclude an arrangement with us.

I think, upon the whole, that the dispositions of the European continental powers continue to be favorable to us. But Spain will make a great clamor, and I fear that the capture of Pensacola will at least impair the chance we had of acquiring Florida by treaty, and of settling all our differences with Spain. I earnestly wish that I may be mistaken. The most dangerous consequence would be the use which England may make of that event to regain her influence over Spain. She has tried to play a deep game to detach her from her other connections, and has heretofore made use of the negotiations with Portugal for that purpose. These, owing to that cause and the habitual folly of

Spain, are not yet brought to a close, and do not seem more advanced than they were six months ago. Notwithstanding these appearances, and although some of the negotiators think otherwise, I am still of opinion that some kind of convention will finally be made.

I have the honor, &c.

P.S.—In the course of the negotiations between Portugal and Spain, an article had been proposed by the first purporting that she would be authorized to maintain her neutrality between Spain and her insurgent colonies. To this Spain decidedly objected, and was supported by all the mediators but one. When the vote had been taken, the British ambassador solemnly protested against it, and declared that his Court could not agree to any plan in which this provision was omitted. This incident is the most serious of the obstacles to the negotiation.

GALLATIN TO J. Q. ADAMS.

No. 86.

PARIS, 5th November, 1818.

SIR,—On my arrival here from London on the 27th ult., I found your letter of the 20th of August last, No. 9, and have since been engaged in collecting such information as might enable me to give a satisfactory answer to your inquiry.

With the previous views and feelings of this government I was well acquainted, but their conduct, and indeed that of Spain, in the case to which you allude, may be materially affected by the result of the congress of Aix-la-Chapelle on the subject of the Spanish colonies. To that point my inquiries have been principally directed; and, although the absence of the Duke de Richelieu and of the Russian minister at this Court has deprived me of my most direct and best means of information, I have reason to believe that the following statement is nearly correct.

Austria and Prussia dislike any mediation or any direct interference. Russia and France press that or any other measure which, without committing them too far, may be favorable to

the views of Spain. England is averse to a joint mediation, but does not wish to appear to be the cause of its not being offered. The consequence of their different views is that nothing has as yet been done; and it is generally believed even by Mr. Hauterive, who has the Department of Foreign Affairs during the absence of the Duke of Richelieu, that no formal offer of mediation will be made. But some vote expressive of the wishes of the allied powers may be entered on the protocol, which will be communicated to Spain, and perhaps be published.

With respect to this government, connected as it is with Spain by political considerations and family ties, alarmed as it feels—and this alarm has not been at all concealed from me—at the appearance of anything that seems connected with revolutionary principles, it cannot be doubted that the recognition of the independence of any of the Spanish colonies will be viewed most unfavorably, and will affect our standing, if not our relations, with this Court. It must be observed that although this government is in many respects a constitutional monarchy, it is not so in the sense in which we generally understand it, so far as relates to the executive branch. The feelings and opinions of the King have a far greater influence, particularly over his ministers, than in England. With the nation at large we are favorites; the ministers are perfectly aware of our political importance and growing power; and these considerations have their weight even with the Court. Notwithstanding those recollections which connect our Revolution with that of France, and although our republican institutions excite apprehension, we are certainly considered, even by those who detest them most, as a regular and, to use their fashionable designation, as a legitimate government. But our public recognition of the independence of an insurgent colony will shock all their feelings and prejudices.

I thought that the best mode to ward off any effect from that cause, unfavorable to our interest, was to prepare them for the event, and to anticipate that which, from the former proceedings of Congress, appeared probable. I had upon every occasion stated that the general opinion of the people of the United States must irresistibly lead to such a recognition; that it was a question not of interest but of feeling; and that this arose much

less from the wish of seeing new republics established than that of the emancipation of Spanish America from Europe. That emancipation was ultimately unavoidable, the charm that had kept that country so long in subjection being now broken, and those colonies being with respect to territory and population out of all proportion with Spain. We had not either directly or indirectly excited the insurrection. It had been the spontaneous act of the inhabitants, and the natural effect of causes which neither the United States nor Europe could have controlled. We had lent no assistance to either party; we had preserved and intended to preserve a strict neutrality. But no European government could be surprised or displeased that in such a cause our wishes should be in favor of the success of the colonies, or that we should treat as independent powers those amongst them which had in fact established their independence. These sentiments I had expressed in England and in France to the ministers of those and of the other European powers with whom the opportunity offered to discuss the subject; amongst others I had a long conversation with Lord Castlereagh, and since my return here I have repeated them to Mr. Hauterive, with a request that he would communicate them, as my decided opinion, to the Duke de Richelieu at Aix-la-Chapelle. I need hardly add that these declarations were made without committing my government, without pretending to know its intentions in that respect, but as arising from an intimate conviction that the event (our recognition of the independence of Buenos Ayres) must necessarily take place at no very distant period. In my last conversation with Mr. Hauterive I stated it as probable that it could not be delayed beyond this ensuing session of Congress.

Mr. Hauterive expressed his great sorrow at such intimation, and some surprise that this recognition should be so near at hand. Yet he acknowledged that the Duke de Richelieu was in some degree prepared for it, though not so immediately, not only from my former suggestions, but also from Mr. de Neuville's correspondence and from a memoir prepared at the Duke's request by Mr. Serurier, both of which corroborate my opinion on the subject. Without alluding to the feelings of France, he expatiated on our happy situation, on our future destinies, and

on the want of sufficient motive for putting by a hasty step our certain prospects to any hazard. For if we intended, as I said, to preserve our neutrality, he could not perceive of what utility our nominal recognition could be to the colonies. He considered it also of great importance that the United States should to a certain extent be connected with the European system of politics. Their point of contact was the sea, and there they had been eminently useful to the general cause of social order and of civilization, by maintaining alone and preserving the maritime rights at the time they were crushed or abandoned everywhere else. He would see us with great regret raising in some degree the standard of America against Europe, and thereby enabling our only rival to excite a general jealousy against us. As to the proposed mediation, he said that he disliked it, since it would be unjust and impracticable to support it, as he termed it, by a crusade, and as the proffer of it as a purely friendly office had to him the appearance of an informal recognition of the colonies as independent powers. Yet, if something was not done in common, the whole subject would fall exclusively in the hands of Great Britain. But what else could, in his opinion, be done, unless it was to give some joint wholesome advice to the King of Spain, I could not understand.

I assured him that although the United States never could have joined in any plan having for its basis the return of the colonies to the supremacy of Spain, yet they would have been desirous of knowing with precision the views of the European powers and of communicating their own, in order that their respective measures might have diverged as little as comported with those views. But although it should have been evident that without the consent of the United States nothing efficient or durable could be done in America, they never had been consulted, nor till very lately, and that by England alone, any communication made to them of what was intended or wished on that subject by any of the European powers. Yet more than one year ago, and without having had time to receive instructions from my government, seeing a growing tendency here and in Russia to interfere between Spain and her colonies, I had conversed freely and with perfect candor both with the minister of

Russia and with the Duke de Richelieu, deprecating the intended interference, and earnestly inviting a friendly communication of the views of both governments to my own. Nothing of the kind had been done; the course of events had not in the mean while been arrested; these had been favorable to the cause of the colonies; and Spain had done nothing tending to retard the decision of the United States. She had neither applied to Mexico or Peru, where she still had the power to do it without any mediation, those liberal measures calculated, as it was presumed in Europe, to reconcile the colonies to her government, nor taken any efficient steps to arrange her differences with ourselves to our satisfaction. Since there was no motive for the United States to act contrary to what was known everywhere to be the public national opinion, its decision must have been naturally expected. Still, it was extremely desirable that measures should not be adopted by the European powers which should be diametrically opposed to those which might be pursued by my government; and it was for that purpose that, anticipating, though without positive and official information, what these might be, I made this free, though unofficial, communication to him, in order that the sovereigns at Aix-la-Chapelle should not at least come to a final determination without knowing everything which might have some influence over it.

Mr. Hauterive said that he would certainly communicate immediately to the Duke de Richelieu what I had said; and I have no doubt but that he will also state it to the King. He took occasion, from my allusion to our own affairs with Spain, to say that, the powers of Mr. Erving having been found inefficient, the negotiation had again been transferred to Washington; that Onis had received full instructions to that effect, which instructions had been communicated to the French ambassador at Madrid; that they had been sent by Pizarro, and renewed since his dismission, and that he still hoped that they would lead to an arrangement which would prevent us from taking such decisive steps against Spain as the recognition of the independence of Buenos Ayres. He did not appear to me to be well informed with the nature of the instructions, as he seemed to think that a cession of Florida was not contemplated; but he said that although

our claim to a western boundary was too extensive, Spain had been induced to yield considerably in that respect. I told him that I wished extremely, but really had no expectation, that Spain had given such instructions as would lead to an arrangement. He alluded, in decent terms, to the ignorance and stupidity of Ferdinand, but still thought, although it had taken place long before his having the temporary care of the Department of Foreign Affairs, and he had not examined the subject critically, that the efforts of France to induce that monarch to arrange the differences with us had succeeded.

I left, however, Mr. Hauterive under such an impression that the recognition was unavoidable, that he expressed a hope that we would give it a form such that it should not be an act of hostility against Spain. I answered that it would certainly be our wish that it should not be considered as such. I must acknowledge to you that this appears to me rather difficult, and that I think the weakness of Spain and the fear of the consequences of a war are the only motives which can induce her not to consider such declaration in any form whatever as an act of direct hostility.

But I am at the same time clearly of opinion that whatever course Spain may pursue, and however displeased this government may be with our conduct in that respect, France will not join with Spain in a war against us on that account, and that she will use her endeavors to prevent that country from engaging in it. I think that Russia will also be displeased, and will nevertheless unite with France in preventing a war. Whether Spain will be advised is a very different question, and on which I can give no opinion, that government having the habit to act contrary to its interests and to the expectations of its most sincere friends.

With respect to Great Britain, there is not, I believe, any danger of her joining at this time in a war against us. But I suspect that she would see one between us and Spain without regret. She has no objection to the independence of the colonies, particularly if she can enjoy its benefits without breaking with Spain or the other European powers, and if it is done at our expense. The greatest immediate inconvenience arising from a war between the United States and Spain will be to our commerce. This will

be instantaneously assailed by privateers under Spanish commissions equipped and manned here, and particularly in England. Preparations to that effect were made twice last year when events created a belief that war was impending. Great Britain will not discourage it, as the difference in the rate of insurance will immediately give her shipping the preference over ours in the trade between the two countries, whilst under our convention, such is our superiority when placed on terms of equality, that of the vessels arrived at Liverpool from the United States during the first nine months of this year, three hundred were American and thirty English. That she has in some degree anticipated the contingency of such a war and its result may be conjectured from a circumstance in our late negotiation. We had inserted in our projet an article (marked) which had always been heretofore introduced at her own wish, forbidding the subjects or citizens of either country to serve on board the armed vessels of the enemy of either; and this was altogether omitted in her counter-projet.

What might be the conduct of either of those powers in the event of a protracted war with Spain cannot be conjectured. My observations apply only to the immediate effects which may naturally be expected to follow a rupture. If a war with Spain shall not be the consequence of the intended recognition, the only inconveniences which I would apprehend in this quarter are such as may be expected from the unfriendly disposition created by that act. The desire, very sincere heretofore, that Spain should yield to our demands, and even to our wishes, would cease to exist; and the obstacles to the admission of our claims against this government, and even to commercial arrangements, would be increased. I am, however, very far from suggesting that the prospect, particularly on the subject of the claims, is now favorable.

I have already stated that the determination of the sovereigns at Aix-la-Chapelle will have an influence over the subsequent conduct of the several European powers. This determination will probably be known on the first of next month, and you may be made acquainted with it in the beginning of February. Whether it may be proper to wait till then before any decisive step is taken, it is for government to decide. The negotiations

between Spain and Portugal have not yet been brought to a close. I understand that no definite answer has yet been given by Spain to a projet of arrangement approved by the mediators and assented to by Portugal.

I had forgotten to state, as a proof of the bias here in favor of Spain, that, although the Duke de Richelieu had assured me that France had no existing treaty of commerce with any nation, the provisions of the former ones with Spain, and which grant many special reciprocal favors, have, by orders from the Ministry, been again carried in effect, as if those treaties had never ceased to exist.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 87.

PARIS, 6th November, 1818.

SIR,—Anxious from public considerations to return to Paris as soon as possible, I left London on the 22d ult. The convention had been signed on the 20th, and the time left to write our joint despatches was so short that, although I hope nothing material was omitted, it may be useful to add some further details and observations. On the subject of the fisheries, the abstract question of our right had been so ably discussed in your two notes to the British government that we had nothing to add to that branch of the argument. We could only, and we did it with some effect, demonstrate that, with respect at least to territorial rights, Great Britain herself had not heretofore considered them as abrogated by the mere fact of an intervening war. Thus, Tobago, ceded by her to France by the treaty of 1783, taken during the ensuing war, and restored by the Treaty of Amiens, had again been retaken by Great Britain during the last war. She was in actual possession when the treaty of 1814 took place, and if the treaties of 1783 and of Amiens were abrogated by the last war, the cession of that island by France had become null, and a retrocession was useless. Yet Great Britain did not reason in that manner, and did not consider her right good without a formal cession from France, which she accordingly obtained by

the last Treaty of Paris. Thus, neither the treaty of 1763 generally, nor the cession of Canada to Great Britain particularly, having been renewed by the Treaty of Amiens, if the treaty of 1763 was abrogated by subsequent wars she now held Canada by right of possession only, and the original right of France had revived. We applied those principles to fisheries which, independent of the special circumstances of our treaty of peace of 1783, were always considered as partaking in their nature of territorial rights. It is, however, true, although it was not quoted against us, that it had been deemed necessary to renew in every subsequent treaty the right of fishing on part of the coast of Newfoundland originally reserved to the French. Although our arguments were not answered, it appeared to me that two considerations operated strongly against the admission of our right. That right of taking and drying fish in harbors within the exclusive jurisdiction of Great Britain, particularly on coasts now inhabited, was extremely obnoxious to her, and was considered as what the French civilians call a servitude. And personal pride seems also to have been deeply committed, not perhaps the less because the argument had not been very ably conducted on their part. I am satisfied that we could have obtained additional fishing-ground in exchange of the words "forever." I am perfectly sensible of the motives which induced government to wish that the portion of fisheries preserved should be secured against the contingency of a future war. But it seems to me that no treaty stipulation can effectually provide for this. The fate of the fisheries in that case will depend on the result of the war. If they beat us (which God forbid), they will certainly try to deprive us of our fisheries on their own coasts. If we beat them, we will preserve them and probably acquire the country itself.

Yet I will not conceal that this subject caused me more anxiety than any other branch of the negotiations, and that, after having participated in the Treaty of Ghent, it was a matter of regret to be obliged to sign an agreement which left the United States in any respect in a worse situation than before the war. It is true that we might have defeated the whole object by insisting that the words "not liable to be impaired by any future war" should be inserted in the article. But this course did not appear justifi-

able. It was impossible, after a counter-projet formed on compromise had been once offered, that the United States could by negotiations alone be reinstated in their enjoyment of the fisheries to their full extent; and if a compromise was to take place, the present time and the terms proposed appeared more eligible than the chance of future contingencies. I became perfectly satisfied that no reliance could be placed on legal remedies; that no court in England would give to the treaty of 1783 a construction different from that adopted by their government, and that if an Act of Parliament was wanted, it would be obtained in a week's time and without opposition. If the subject was not arranged, immediate collision must ensue, and, Great Britain proceeding under legal forms to condemn our vessels, no resource remained for us but to acquiesce or commence hostilities. With much reluctance I yielded to those considerations, rendered more powerful by our critical situation with Spain, and used my best endeavors to make the compromise on the most advantageous terms that could be obtained. After a thorough examination of the communications on the subject which you transmitted to us, I think that substantially we have lost very little, if anything; and I only wish that it had been practicable to give to the agreement the form of an exchange in direct terms; that is to say, that we give fishing rights in certain quarters in consideration of the right of curing fish on a part of Newfoundland and of the abandonment of the British claim to the navigation of the Mississippi. This, however, could not be done in a positive manner, the British plenipotentiaries disclaiming any right to that navigation, and objecting, therefore, to a renunciation of what they did not claim. The article which they proposed on this last subject was only, as they said, an equivalent for what they pretended to concede in agreeing that the boundary west of the Lake of the Woods should be fixed at the 49th degree of north latitude.

The renewal of the commercial convention and the propositions relative to the colonial intercourse will make the subject of a distinct despatch.

I have the honor to be, with great respect, sir, your most obedient servant.

GALLATIN TO J. Q. ADAMS.

PARIS, November 9, 1818.

SIR,—The returns from our American custom-houses must show the comparative amount of American and British tonnage employed in the intercourse between the United States and the dominions of Great Britain in Europe. Every account collected in England agrees in the fact that the proportion is vastly in our favor and is still increasing. Of this the British plenipotentiaries were aware, and alluded to it; indeed, there was at a time a remonstrance prepared to oppose the renewal of the convention. But the present Ministry seems, upon the whole, disposed to adopt a more liberal policy in commercial affairs than would be suggested by the mercantile interest of the country. And they also set a great value on that part of the convention which secures them against any prohibition or prohibitory duties on their manufactures which will not equally apply to those of other countries. In estimating on our side the convention of 1815, we must not only attend to the existing state of things, but take also into consideration the danger to which we would be exposed from the operation of discriminating duties on our produce, and which, on account of the great comparative bulk of our exports, we cannot effectually repel by similar duties on foreign imports. This I mention because I know that the disposition to engross has sometimes on this very subject found its way into the United States, and might, if listened to, lead to very unfavorable results. All we want is to be placed on an equal footing, and then the energy and maritime skill of the Americans will give them a decided superiority everywhere, even over the British. But it would be desirable, in order to enable our government to repel measures of commercial restrictions and to negotiate with equality, that they should have the power to lay a duty not on exports generally, but on such only as were exported in foreign vessels. Until such an amendment is made to the Constitution, our only security must be found in the great inferiority of other nations, as is now the case with France, or in arrangements similar to our convention with Great

Britain. It would, however, have been desirable that that of 1815 had not expired so soon, so as [to] have been able to postpone its renewal till we had come to an agreement on the subject of colonial intercourse. It also happened that, as Mr. Rush was not to call me to England before he had ascertained whether the British government was disposed to negotiate upon other subjects, that government, in the course of the conversations he held with Lord Castlereagh, became necessarily acquainted with the fact that he was at all events authorized to renew the convention of 1815, even if no negotiation was opened on any other point. This may have somewhat lessened the inducements of Great Britain to make an agreement on the subject of the intercourse with the West Indies. Yet I think that the disposition does exist, and that the Ministry will go as far as public opinion permits them.

Mr. Robinson was very explicit on that subject, and almost complained of our insisting on an unlimited intercourse, which we must know could not at once be opened, even if the Administration was precisely of the same opinion with ourselves. And he intimated that such an unlimited intercourse (with the exception of salted provisions) would be the ultimate result of its being now partially opened. He added that, considering our proximity, and that the West Indies could have no shipping of their own, the greatest part of the carrying trade in the direct intercourse must necessarily be done by American vessels; and that, in order to restore the equality, it was absolutely necessary that a portion of that intercourse should be carried through the medium of Bermuda and Halifax. I think that our joint despatch is sufficiently full on that subject to enable our government to judge of the modifications of which an arrangement founded on that basis is susceptible, and to give every necessary instruction. I am apt to think that the British government will not consent to add any article of American produce to the list contained in their proposal, and that they may assent to add coffee to that of the articles of West India produce. They hesitated, as I thought, even with respect to sugar, and I understood that the great objection, besides the fear of our becoming its carriers to Europe, came from the non-residing planters, and

particularly from the merchants and others who have mortgages on West India plantations, and who fear, as is also the case in Holland with respect to Surinam, that their agents or debtors should ship the sugar elsewhere than to the mother-country.

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GALLATIN TO J. Q. ADAMS.

No. 91.

PARIS, 21st November, 1818.

SIR,—It is believed that the last conferences at Aix-la-Chapelle took place on the 18th instant. My advices are to the 16th. The intimation that the independence of some of the Spanish colonies might be recognized by the United States has, as I expected, been received with much displeasure by Russia and by the Duke de Richelieu. By Lord Castlereagh it was considered as a hasty measure.

The depredations committed by the privateers under the flags of Buenos Ayres, &c., particularly by those equipped in the United States, and the admission of those privateers and of their prizes in our ports, have, it seems, occupied the attention of the congress of Aix-la-Chapelle. The fair commerce of the world is considered in great danger if every petty section of country which erects or pretends to erect an independent standard should be permitted to issue commissions, and if the inhabitants of neutral countries should, under color of such commissions, be allowed to prey upon the peaceful vessels of other nations. A general system of piracy would ensue, and no nation was more interested than America in preventing such result. It was therefore suggested—I believe by Lord Castlereagh—that some measures should be taken in concert with her for the suppression of that growing evil. The Duke de Richelieu prepared a paper intended for a joint note of the five great powers to the government of the United States, strongly remonstrating against their supposed acquiescence, and, as I understand, asking for the renewal of the law of the session of Congress—1815–1816—which had undesignedly made a distinction unfavorable to the armed

vessels of the colonies. This was at once objected to by Lord Castlereagh and Metternich, as improper in form and substance, and calculated to excite indignation. That mode was abandoned; and it was agreed (whether only verbally or by a formal entry on the protocol I cannot say) that the powers who had ministers at Washington should be instructed to make representations on the subject. These will probably vary according to the several views of the powers. It is not believed that anything will be made public on the subject of Spain and her colonies; although some agreement has probably taken place. It has been proposed very lately by Lord Castlereagh that Wellington should be sent in the name of the five powers to Madrid; but for what special purpose I cannot understand. The question not yet decided on the 16th.

Such is the substance of the information which I have received, and which I have reason to believe tolerably correct. The Duke de Richelieu is expected here next week, and it is said that Lord Castlereagh and Count Nesselrode are also coming. I would have delayed writing a few days longer, but opportunities are not now as frequent as usual, and I did not wish to lose that of a vessel which is on the point of sailing. I hope to be able to write more at large on all these subjects before the end of this month.

I have the honor, &c.

JEFFERSON TO GALLATIN.

MONTICELLO, November 24, 1818.

DEAR SIR,—Your letter of July 22 was most acceptable to me, by the distinctness of the view it presented of the state of France. I rejoice in the prospect that that country will so soon recover from the effects of the depression under which it has been laboring; and especially I rejoice in the hope of its enjoying a government as free as perhaps the state of things will yet bear. It appears to me, indeed, that their constitution, as it now is, gives them a legislative branch more equally representative,

more independent, and certainly of more integrity, than the corresponding one in England. Time and experience will give what is still wanting, and I hope they will wait patiently for that without hazarding new convulsions.

Here all is well. The President's message, delivered a few days ago, will have given you a correct view of the state of our affairs. The capture of Pensacola, which furnished so much speculation for European news-writers (who imagine that our political code, like theirs, had no chapter of morality), was nothing here. In the first moment, indeed, there was a general outcry of condemnation of what appeared to be a wrongful aggression. But this was quieted at once by information that it had been taken without orders and would be instantly restored; and although done without orders, yet not without justifiable cause, as we are assured will be satisfactorily shown. This manifestation of the will of our citizens to countenance no injustice towards a foreign nation filled me with comfort as to our future course.

Emigration to the West and South is going on beyond anything imaginable. The President told me lately that the sales of public lands within the last year would amount to ten millions of dollars. There is one only passage in his message which I disapprove, and which I trust will not be approved by our legislators. It is that which proposes to subject the Indians to our laws without their consent. A little patience and a little money are so rapidly producing their voluntary removal across the Mississippi, that I hope this immorality will not be permitted to stain our history. He has certainly been surprised into this proposition, so little in concord with our principles of government.

My strength has been sensibly declining the last few years, and my health greatly broken by an illness of three months, from which I am but now recovering. I have been able to get on horseback within these three or four days, and trust that my convalescence will now be steady. I am to write you a letter on the subject of my friend Cathalan, a very intimate friend of three-and-thirty years' standing, and a servant of the United States of near forty years. I am aware that his office is coveted by another, and suppose it possible that intrigue may have been

employed to get him removed. But I know him too well not to pronounce him incapable of such misconduct as ought to overweigh the long course of his services to the United States. I confess I should feel with great sensibility a disgrace inflicted on him at this period of life. But on this subject I must write to you more fully when I shall have more strength, for as yet I sit at the writing-table with great pain.

I am obliged to usurp the protection of your cover for my letters—a trouble, however, which will be rare hereafter. My package is rendered more bulky on this occasion by a book I transmit for M. Tracy. It is a translation of his *Économie politique*, which we have made and published here in the hope of advancing our countrymen somewhat in that science; the most profound ignorance of which threatened irreparable disaster during the late war, and by the parasite institutions of banks is now consuming the public industry. The flood with which they are deluging us of nominal money has placed us completely without any certain measure of value, and, by interpolating a false measure, is deceiving and ruining multitudes of our citizens.

I hope your health, as well as Mrs. Gallatin's, continues good, and that, whether you serve us there or here, you will long continue to us your services. Their value and their need are fully understood and appreciated. I salute you with constant and affectionate friendship and respect.

GALLATIN TO J. Q. ADAMS.

No. 92.

PARIS, 10th December, 1818.

SIR,—It appears certain, besides the declarations which have been made public, some other resolutions were adopted at the congress of Aix-la-Chapelle and entered on the protocol. The affairs of Baden may be quoted in proof. Whatever else may have been concluded, there can be no doubt that the result is favorable to the continuance of the general peace of Europe, and that the union of the five powers is better consolidated than before. But I have not been able to ascertain if any agreement

has taken place on the subjects in which we are concerned. Lord Castlereagh told me that he did not at this moment feel at liberty to communicate what might have been determined on the subject of the Spanish colonies. The Duke de Richelieu gave me to understand that nothing decisive had been agreed on in that respect. I believe this to be the fact. The plan of sending the Duke of Wellington to Spain has been abandoned. The subject of depredations by vessels sailing under the flag of some of the colonies or local authorities was not touched in any of the conversations I had with the ministers of the several powers.

These conversations have confirmed me in the opinions which I gave in my despatch of the 5th of November, and to which I beg leave to refer. I mentioned to the Duke de Richelieu the substance of what I had written to you respecting the feelings of France in case the United States should recognize the independence of Buenos Ayres, and he did not hesitate to say that my statement was very correct. He expressed his hope that the contingency would not take place, and that the differences between the United States and Spain would be arranged. From the general tenor of the conversation I was, however, satisfied that in the case of war with her, an event which would be considered here as very unfortunate, there was not any expectation that France would take any active part in it.

Both he and Pozzo speak with confidence of the expedition now preparing at Cadiz sailing in the spring with eight or ten thousand men. The conquest of Buenos Ayres is stated to me as the avowed object, taking first possession of Montevideo, which the Portuguese have agreed to restore provided a sufficient force is sent by Spain. The convention, however, after so many delays, is not yet signed. The project of offering to Buenos Ayres a Spanish prince as sovereign is again spoken of.

In the conversation I had with Lord Castlereagh, and in another with the Duke of Wellington, friendly dispositions were expressed towards the United States. The last said that we were so near on the subject of impressment and on that of the West India intercourse that he hoped both subjects would soon be arranged. From his perfect knowledge of what has passed in the course of our negotiation, it may be inferred that he is

already in fact a member of the Cabinet. Whatever may be the real dispositions of Great Britain in other respects, and for my opinion of which I also refer to my despatch of the 5th of November, I think that you may at least rely on her wish to preserve at this time peace, and even a good understanding, with the United States.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 93.

PARIS, 4th January, 1819.

SIR,—I have not been able to obtain any further material information of what had passed at Aix-la-Chapelle on the subject of the Spanish colonies. So far as it goes, it corroborates the statement given in my former despatches. From an authentic source I hear that when it was proposed that the Duke of Wellington should go to Spain charged with joint powers from the five great allies, to act as mediator between her and the colonies, he (whether in his own or in the name of Great Britain I am not informed) made it preliminary, 1st, that Spain should renew her application for a mediation; 2dly, that the determination on the part of the allies not to use force should appear on the face of the act of mediation. It was then proposed by Russia and France that, if these preliminaries were agreed to, the allies should also bind themselves by a public act not to entertain any political or commercial relations with such of the insurgent colonies as might reject the proposals which would be ultimately agreed to by the mediators as a proper basis of reconciliation. This having been declared by Great Britain to be altogether inadmissible, the whole project was abandoned.

Yet from a conversation with Nesselrode, and from some other circumstances, I infer that some entry expressive of the wishes of the allies in favor of Spain has been made on the protocol, and that she has been advised to adopt of her own accord, with respect to the colonies which acknowledge her authority, those conciliatory measures which she had proposed as the basis of the

intended mediation with the insurgent provinces. It appears also, as stated in my former despatch, to have been the intention of Spain to send the armament now preparing at Cadiz to Buenos Ayres, as the best means of preventing an invasion from Peru, and even with a hope that if that city, which is considered as the focus of the insurrection, was captured, the interior provinces of La Plata and Chili would soon return to their former allegiance. But this plan was founded on the previous surrender of Montevideo by the Portuguese; and this event is now indefinitely postponed, the negotiation which had been carried on here for more than twelve months between Portugal and Spain being altogether suspended, if not broken off, and Count Palmella having accordingly returned to England. On what point the negotiation ultimately broke off I have not yet been informed. The consequence, however, is that the Cadiz expedition is now destined for Chili and Peru; and the events of the opening campaign in Venezuela may again change that destination.

The President's speech has been very well received; and the apparent determination to adhere to the line of conduct heretofore pursued with respect to the Spanish colonies is very agreeable to all the governments, particularly to Russia and to France. This was explicitly stated to me by Nesselrode. I think that my efforts in preventing the interference of the European powers have not been altogether useless; but the result is certainly due principally to Great Britain. The effects of her policy in that question begin to be understood, and many of the statesmen here regret that a similar course should not be adopted by France. But the simultaneous restoration of the two branches of the house of Bourbon to the thrones of France and Spain seems to have given new strength to family ties; and these appear to have more influence than consists with the commercial interests of this country, and prevent the adoption of a system of neutrality which would give France a share in the commerce of the Spanish colonies.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 98.

PARIS, January 19, 1819.

SIR,—I had the honor to receive a few days ago, through Mr. Rush, your despatch to us of the 2d of November last.

The subject of the slave-trade was not even hinted at in the course of our negotiation. But I have been informed by Pozzo that the British ministers proposed at Aix-la-Chapelle a general agreement between the five great European powers, founded on the same basis which had been adopted in the several treaties of England with the Netherlands, Spain, and Portugal. It was explicitly declared by Richelieu that France would never subscribe any agreement which recognized the right of the public vessels of any nation to visit French vessels in time of peace. A similar declaration having been made by Russia and countenanced by Prussia, the plan was abandoned. I am also informed that one of many causes which prevented any general association against the Barbary powers was a jealousy of the naval preponderance of Great Britain, to which, in case of a maritime alliance, it was apprehended that the other powers must to a certain degree submit.

When the proposal of Great Britain that the agreement respecting impressment might be revoked at will by either party was mentioned by Lord Castlereagh, we immediately observed that this stipulation would be altogether unfavorable to the United States; that they would make an immediate sacrifice by excluding British seamen from their service; that this sacrifice would operate in favor of Great Britain, by increasing the expenses of our navigation, and thereby giving some comparative advantage to hers in the commerce between the two countries; and that it was extremely objectionable that the equivalent for which the United States were willing to make that sacrifice should not only be remote and contingent, but that the contingency should depend not merely on a renewal of the contemplated temporary agreement, but also on the will of Great Britain at any time whatever she might choose to notify it.

Lord Castlereagh expressed a great anxiety that an arrange-

ment might be made on that difficult subject. It had been explicitly declared by our government that the United States would not be satisfied with a correction of the abuses in the practice; that an absolute suppression of the practice itself was on their part a sine qua non. As an equivalent, the non-employment of British seamen was offered, a stipulation to be enforced exclusively by our own laws. An agreement founded on that basis was, he said, so contrary to public opinion in England that it would be utterly impracticable to obtain public support for it unless it was accompanied by the stipulation which he had proposed. I understand, indeed, though not expressly stated, that without it the consent of the Cabinet could not be obtained. He added that this was the only motive for the proposed condition, and that it would be purely nominal if, as we believe and as he hoped, our laws proved efficient in carrying the agreement substantially into effect.

It being ascertained that the British government would not treat on the basis proposed by the United States without this reservation, which had not been anticipated and on which we had not been instructed, we did not feel ourselves justifiable in rejecting it altogether, and thought it desirable to obtain the whole British plan rather than to refer previously to our government the single question of the reserved power to annul the agreement. Some considerations, without removing altogether the objection, seemed also to lessen its weight. It was only in the case of Great Britain being engaged in war that there was any danger that she should avail herself of the right to dissolve the convention; and the probability was that this would expire by its own limitation before the contingency took place. The objection, in fact, applied with nearly as much force to the temporary nature of the agreement as to the right reserved to annul it. It was believed, as is suggested in your despatch, that if the arrangement was once made, the principle never could afterwards be altered and the practice of impressment be renewed. If Great Britain should, without having any just right to complain of our having violated the compact, dissolve it in time of war, after having enjoyed its advantages during the peace, it would be such a violent outrage as would unite the whole of our nation against

any attempt on her part to resume the practice of impressment. Indeed, such a conduct on her part could not take place unless she intended to be at war with us; and in that case, other pretences for it would not be wanting if thought necessary.

It may also be the opinion of some persons that the stipulations being reciprocal is not without its advantages to the United States; that the exclusion of British seamen may prove more injurious to our navigation than has been anticipated, and that it may on that account become eligible to put an end to the agreement before it expires by its own limitation. I must acknowledge that I do not share that opinion, and that I believe the inconveniences, whatever they may be, to be less than those which must necessarily follow the practice of impressment, and that they are counterbalanced by the advantage resulting from having a navy purely national.

The stipulation appears, therefore, to me on the whole unfavorable to us; but I do not believe that there is at this time any probability of concluding an agreement unless we consent to that reservation.

You already know that our observations induced Lord Castlereagh to abandon the other condition, by which the commanders of British armed vessels would have had the right of examining our crews; and that it was not made a part of their official projet.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 100.

PARIS, 19th February, 1819.

SIR,—I had the honor to receive your despatches Nos. 10, 11, and 12. An indisposition which has confined me in my chamber for more than three weeks, and from which I am just recovering, has as yet prevented my using the arguments, contained in the first, in those quarters where it may be useful to remove unfavorable impressions; but I will not fail to attend to that subject whenever a convenient opportunity shall offer.

The agitation which took place here after the termination of the congress of Aix-la-Chapelle, the subsequent change of ministry, and afterwards my indisposition, had prevented my renewing my application on the subject of American claims. Immediately after the receipt of your despatch No. 12, although it would have been desirable to have had a previous conversation with Marquis Dessolle, I thought it advisable, on the whole, to call his attention to the subject before the budget of this year was presented to the Chambers, and addressed to him the letter, of which a copy is enclosed.[1] The British ambassador called on me more than a fortnight ago to communicate to me, at the request of Dessolle, the Spanish decree for putting to death all foreigners taken in arms under insurgent banners or carrying to them munitions of war. Both were extremely dissatisfied with it, and aware of the effect it might produce in England and in the United States. Strong representations would be immediately made against it by the French, and, it was expected, by the British government. Both, it was said, derived an additional right of doing it from the representations they had agreed to make to the United States on the subject of insurgent privateers.

I have also understood that this government had prevented the execution of a contract made at Bordeaux for supplying Spain with transports for the Cadiz expedition to America, from a fear that it would injure the commercial interests of the country in the insurgent colonies, and perhaps expose it to depredations on the high seas.

I have the honor, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 26th April, 1819.

DEAR SIR,—It is so long since I have received a line from you that I am not entirely certain that you remember there is

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[1] This note will be found in American State Papers, vol. v. (Foreign Relations) p. 19, and again pp. 290, 291.

such a being in existence as myself. Mortifying as this declaration is to my feelings, I am constrained from various considerations to hazard the charge of intrusion by addressing you at this time.

Two days ago I addressed a letter to you, at the request of the president of the Bank of the United States, explaining in general terms the reasons which have rendered it desirable that an arrangement should be made by the bank with the holders of the Louisiana stock in Europe, by which the remittance of the principal of that stock, reimbursable on the 21st of October next, may be delayed until it can be effected with more convenience than at present. The bank contemplated originally the employment of Mr. Sheldon in effecting this arrangement; but when I mentioned the subject to Mr. Adams he objected to it, especially if compensation was to be attached to the service. Two days ago, however, he has informed me that he has no objection to his being employed and receiving a reasonable compensation. As, however, the first determination was communicated to the board, another person has been thought of, and possibly may be eventually employed.

If the board should ultimately fix upon Mr. Sheldon, I hope you will not only consent to his undertaking the execution of the trust, but that you will give him all the aid and assistance which can be afforded without inconvenience. It is a matter of the greatest importance that an arrangement should be effected, and as early as practicable. It is difficult to conceive of the distress which prevails in the commercial cities, resulting from the indispensable necessity to which the banks have been reduced to diminish their discounts.

This process has now been in operation for about nine months, and must be continued for some months longer. Every exertion has been made by the commercial and, indeed, every interest in the community, to meet the pressing demands of the banks, and so far very successfully; but there is just reason to apprehend that if these demands are extended much further a general delinquency will ensue, which will take from it all its odium. Whenever this shall happen, the collection of the revenue will be most seriously affected. If the remittance of two millions

of dollars to Europe during the ensuing autumn cannot be avoided, the curtailments of the banks must be continued until that remittance is effected. The danger resulting to the collection of the revenue from the curtailment of bank discounts consequent upon the exportation of specie and the remittance of that part of the moiety of the Louisiana stock held in Europe which was redeemed on the 21st of October last, was foreseen, and a possible deficiency of the revenue suggested, in my annual report to Congress. No measure, however, founded upon that suggestion was introduced in either House during the late session.

As I did not calculate with much confidence that any deficiency would occur, I contented myself with having made the suggestion. Hitherto the collection of the revenue accruing upon merchandise and tonnage has furnished no reason to apprehend any deficiency. The amount of bonds which have been put in suit has not much exceeded—with the exception of the port of Norfolk—the sum ordinarily remaining unpaid; but concurrent representations from all parts of the Union lead me to apprehend that delinquencies to a great amount will occur in the course of the summer and autumn. The fall in the price of every article almost of exportation, and the commercial distress which is said to prevail in the commercial parts of Europe, will probably throw back upon this country an immense amount of bills which have been drawn in the ordinary course of business upon the credit of shipments made of those articles. If these bills should return at the moment when the drawers are making every exertion in their power to meet the demands of the banks,—rendered indispensable to preserve their credit,—something like a general bankruptcy is greatly to be apprehended. No event will have a more favorable influence upon the moneyed and fiscal operations of the nation than an arrangement by which the exportation of two millions of dollars, or the remittance of that sum in bills, can be avoided. It is on this account that I feel more than ordinary solicitude to interest you in the success of the attempt contemplated by the board of directors, which I have explained.

The remittances of the sums redeemed during the last autumn I believe are not yet completed. They have been made upon the most favorable terms, but exchange is every day becoming

less favorable. The fall in the price of our principal staples will no doubt render it difficult to remit considerable sums after this period. It is even probable that the rate of exchange may become so unfavorable as to offer some temptation to the exportation of specie to Europe. If this should not be the case, it will be owing to very diminished importations of foreign merchandise during the present year.

The receipts from the public lands in the North-Western States and Territories will be much below those of the last year, owing to the impossibility of obtaining money which can be received at the land offices. How long this state of things will continue cannot be ascertained. Nothing can be more vexatious as long as it does continue.

From the files of the Intelligencer you will have discovered that the last session of Congress was not remarkably tranquil. The events of the Seminole war gave rise to a discussion in one House, and a report in the other, which has excited all the angry passions in the mind of the commanding general and his particular adherents. The deep interest which the President felt in the question was what saved the general from the censure of both Houses. The particular friends of the Secretary of State made the question a rallying-point; and, strange to tell, Clintonianism enlisted itself under the banners of the hero of New Orleans. The support of this party, like everything connected with it, had for its object a *quid pro quo*. Perhaps the support which he received from that quarter may be traced to the correspondence between Generals Scott and Jackson, which, like everything else in this country, has found its way into the gazettes. I am inclined to believe that the chiefs on both sides have been mutually deceived in their expectations of support. The general, however, has had the advantage, inasmuch as he has received an active support from the Clintonians in his Seminole war, and has repaid that support by insulting the Tammany men, in toasting the governor at a dinner given him in Tammany Hall. This in all probability is the only service which he will ever be able to render Mr. Clinton, and it is at least doubtful whether that has not been injurious to him. It is probable that General Lacock's reply to the strictures upon the report of the

committee of the Senate will produce a paper war, which will be protracted through the summer, and that the subject will be resumed in the Senate during the next session. Unless the changes in that body should be favorable to the general, the report of the last session will be approved. An attempt was indirectly made at the close of the last session to soften the censure contained in the report, by a resolution which was drawn up and shown to such members of the majority as were supposed to be most supple upon that subject; but no recruit was obtained, and the attempt was therefore abandoned.

The Bank of the United States has just determined not to receive from the government its own bills and those of its offices except at the places where they are payable. When tendered under such circumstances, they [are to be] credited to the Treasurer as special deposit until time is afforded the bank to transfer the specie from the issuing to the receiving office.

This determination, you will readily perceive, produces inconveniences and delay, which at this moment are extremely vexatious. It is a mere palliative to gain a little time, and cannot possibly decide the ultimate question of the capacity of the bank to continue specie payments.

Present my respects to Mrs. Gallatin and every member of your family, and believe me to be, with sentiments of the most sincere regard,

Your most obedient servant.

GALLATIN TO J. Q. ADAMS.

No. 102.

PARIS, 5th May, 1819.

SIR,— . . . Marquis Dessolle informed me that the Spanish government had delayed for a considerable time to transmit to Onis the final instructions, by virtue of which the treaty was concluded, and which had been prepared by Yrujo's predecessor. The determination was taken only after the failure of obtaining at Aix-la-Chapelle the mediation of the allied powers with the colonies, under a feeling of irritation against Great Britain as

the author of the failure, and from a conviction that any attempt to subjugate by force was hopeless while the danger of a rupture with the United States continued to exist. I found both this government and the Spanish ambassador were under the impression that the treaty, if not by any positive stipulation at least by a tacit understanding, implied on our part an obligation not to recognize the independence of Buenos Ayres. I said that, whatever the cause might be, Congress had adjourned without agitating that question, and that Spain would have the opportunity during this summer to make with her grand expedition of Cadiz what every one must consider as her last effort. On the result would, it must be presumed, depend the course which not only the United States but other powers would pursue with respect to the colonies. The news of our treaty had probably contributed to the renewal of the negotiations between Spain and Portugal. Count Palmella returned here for that purpose as soon as it was known. Both parties are agreed that the boundary of Brazil shall be enlarged towards La Plata, as an indemnity for the expenses of the Montevideo expedition. But Portugal insists that it shall be precisely defined before that place is restored, and Spain wants to postpone the settlement. She declares that if not peaceably surrendered, Montevideo will be the first object of attack for her expedition. What will be the result I am less able to conjecture, as, for very natural reasons, the Portuguese ministers are less communicative than before our treaty.

Marquis Dessolle expressed great satisfaction with the conduct of Mr. Hyde de Neuville, and, although he was not prejudiced in his favor when he came in the Ministry, he spoke in the highest terms of the talents and wisdom he had displayed on the late occasion, and generally during the course of his mission.

I have the honor, &c.

P.S.—To prevent any misapprehension, and in justice to this government, I must say that it was not influenced by the result of the congress at Aix-la-Chapelle, and that its friendly offices with the Cabinet of Madrid had been interposed before that epoch. The instructions, afterwards detained, had been pre-

pared by Pizarro and communicated to the French ambassador before the departure of the Duke de Richelieu for Aix-la-Chapelle. Their detention was not known to this Cabinet at the time of my conversation with Mr. Hauterive, mentioned in my despatch No. 86.

GALLATIN TO J. Q. ADAMS.

No. 105.

PARIS, 24th May, 1819.

SIR,—The Portuguese ambassador informs me that our treaty with Spain, having been laid before the Council of State at Madrid, had met in that body with a strong opposition; that they having adjourned without coming to a decision, the King, under an impression that their opinion would be against the ratification, had concluded to ratify the treaty without their sanction; but that at the date of the last advices at Madrid the ratification had not yet taken place. Mr. Dessolle says that the treaty had occasioned warm debates, but seems to entertain no doubt of the final ratification. The Spanish ambassador concurs in this opinion, notwithstanding the efforts which he states to have been made by the English to prevent the ratification. He considers the bill lately proposed in England to prevent the armaments in favor of the insurgents as the result of our treaty, and coming too late to produce any effect against its ratification. The Russian minister adds that if that measure had been adopted sooner by England it would have prevented the treaty. I had not heard myself from Mr. Forsyth nor from Mr. Erving subsequent to Mr. Forsyth's arrival at Madrid. No progress has as yet been made in the negotiation between Spain and Portugal; and it seems to me that the mediators have no hope of succeeding in arranging the differences. But I think that they will prevent an actual rupture. In that case the Cadiz expedition must remain suspended, or be employed otherwise than in a direct expedition against Buenos Ayres.

I have the honor, &c.

P.S.—May 25. I received last night your despatch No. 14,

of April 14, and will see Mr. Dessolle; but, as Mr. Forsyth has arrived at Cadiz on the 16th of last month, I presume that the question is by this time decided at Madrid. The letter from Mr. Hyde de Neuville to the French ambassador at that Court will, in connection with his general instructions, have produced nearly the same effect as anything which would be likely to come at this time from Mr. Dessolle. This government is at this time rather timid on subjects connected with their foreign relations.

GALLATIN TO J. Q. ADAMS.

No. 108.

PARIS, 28th May, 1819.

SIR,—I have conversed with the Marquis Dessolle on the subject of your despatch of April 14 last. He had received Onis's declaration and all the necessary information from Mr. Hyde de Neuville. He, without any reserve, expressed himself to be of the same opinion with us on the subject; he said that, independent of the positive proofs of the understanding of the negotiators, such enormous grants made at such time were wholly inconsistent with the spirit of the treaty of cession. There was, he said, some difficulty arising from the favor enjoyed by the Duke d'Alagon; but, mad as was the government of Spain, it was morally impossible that our declaration on that point should prevent the ratification. I must observe that from the whole tenor of the conversation I inferred that this opinion was less the result of any direct information from Madrid than of his own view of the subject, and of a conversation between him and the ambassador of Spain.

GALLATIN TO J. Q. ADAMS.

No. 111.

PARIS, June 14, 1819.

SIR,—Mr. Erving brought nothing decisive from Madrid, but corroborates the accounts already received. He thinks that

the King is in favor of the ratification, and seems to be of opinion that it would ultimately take place.

Mr. Forsyth had delivered his letters of credence about the 18th of May, but on the 27th, the date of a letter from him to Mr. Lowndes, the question of ratification, independent of that which may arise from the grants of land, was not yet decided.

Mr. Dessolle says that opposition continues to be made by the favorites to whom grants have been made, and also by the Minister of Justice, Lozano; he also alluded to some want of confidence in Yrujo's sincerity. The English opposition was, he said, carried on with great caution, if carried at all. Reports had, however, he added, been industriously circulated amongst several of the Cabinets of Europe that the United States had, subsequent to the treaty, made overtures to the British government for a recognition of the independence of Buenos Ayres; this he knew to be false, as I had at the time fully explained the circumstance, and that Mr. Rush's communication was made in pursuance of instructions given after the failure of the negotiations of December, and when you had no expectation of their renewal. He repeated his opinion that the treaty would be ratified, and the fact that Onis had kept far within the limits of his instructions.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 113.

PARIS, July 3, 1819.

SIR,—I transmitted in my despatch No. 100 the copy of the letter which I had addressed to Marquis Dessolle, on the 11th February last, on the subject of American claims in general, and more particularly of that of Messrs. Gracie and Parish.

On the 23d of March, in transmitting to the same minister a letter from Mr. Hyde de Neuville in behalf of Mr. Gracie, I reminded him of my preceding note, and requested that a report which the Director-General of the Douanes was shortly to make on the claim might be communicated to me before the Minister of Finances should decide upon it. This was the more important, as the director was known to be decidedly hostile to

the claim, and to the restitution of any sum which had in any shape found its way to the public treasury.

My request was not complied with; but Mr. Parish still thought that the affair had taken a favorable turn, and, not expecting an immediate decision, left this city for Antwerp, and went thence on some business to England. From this last country he wrote to me a few days ago, and transmitted the enclosed copy of a letter addressed to him by the Minister of Finances, and by which he is informed that his claim is inadmissible.

The Minister's letter is not less incorrect as to facts than weak in argument. The order to sell and to pay into the treasury the proceeds of the sales of sequestered property is not, and was not by the then existing government, considered as a condemnation.

When the vessels in question arrived at Antwerp, the only penalty for which they were liable for having touched in England was to be refused admission, and the only question was whether this exclusion should be enforced, or whether the consignees should be permitted to sell the cargoes. It was not at all by giving a retrospective effect to the Milan decree that the cargoes were sold. The sale took place about the same time that the property seized at St. Sebastian was sold; it was done by virtue of an order from government, distinct from the Rambouillet decree, and for which no motive was assigned. I have requested Mr. Parish's lawyer to procure copies of the order of sale, and of that by which the money was paid into the public treasury instead of the caisse d'amortissement; for, although the substance of the orders is known, the text has not been communicated.

But, however easy it might be to answer the Minister's letter, there would be some inconvenience in pursuing that course, or in prosecuting any farther Mr. Parish's claim distinct from others of the same nature. I was, indeed, always averse to that discrimination, and did not share that gentleman's hopes of success; but as he was very sanguine, and we had heretofore failed in obtaining relief, I could not resist his solicitation, especially after the receipt of your despatch No. 12.

The decision of the Minister of Finances, founded on the assumed principle that no redress remains when the money has been paid into the treasury and been expended, would apply with equal force to all the American claims. If it becomes necessary to combat seriously that doctrine, it will be better to do it generally and in a direct correspondence with the Minister of Foreign Affairs, than by answering a letter which is not addressed to me and applying my arguments to a single case. The self-love of the Minister of Finances would also be irritated by an exposure of his assertions; and we have already sufficient obstacles to encounter, without rendering the chance of success still more desperate.

I am still in hopes of receiving the instructions which I was led to expect from your despatch No. 12. If circumstances induce me to renew my application before these are received, it is my intention either not to take notice of the letter of the Minister of Finances, or to consider it merely as the proof that he could not, according to existing laws, on his sole responsibility, and without a diplomatic arrangement, order the claim to be liquidated.

His letter places, nevertheless, our claims on a still more unfavorable footing than that on which they heretofore stood. We had applied to this government for indemnity; we had stated the arguments by which our claims were supported; and receiving no written answer, we had it, however, placed on record that we had been verbally answered that the pressure of the demands of the allies was the reason why ours were not yet taken into consideration. This was not much; but still this government was not in the least committed by the decision of any of its ministers against us.

In the present state of things I will try, until I am positively instructed, to keep the negotiation alive, but without urging a decision, unless I can ascertain that a favorable result will be obtained; and of this I have indeed very little hope.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 114.

PARIS, July 6, 1819.

SIR,—Mr. Forsyth informs me, by a letter dated the 23d ult., that the acting Secretary of State (Salmon) has announced to him, in an official note, that the King would proceed slowly to consider the treaty, as it was very important and interesting to his kingdom. I take this only to mean that nothing can be done until the successor of Yrujo shall have been appointed. As Mr. Forsyth intended to despatch the Hornet, you must have received from him an account of the fall of Yrujo, and everything he has been able to learn at Madrid respecting that event and the effect it may have on the treaty. I will only add what I collect from other sources.

It is certain that the Minister of Justice, Lozano del Torres, was the author of Yrujo's disgrace, in which the Councillor of State, Heredia, has been involved; and it is also a fact that both Yrujo and Heredia had ostensibly given their opinion in favor of the treaty being ratified, and that Lozano openly disapproved it, although it is not as certain that he advised that it should not be ratified. It is very probable that he has, amongst other means, used the treaty as an instrument to overset Yrujo, and that he has also excited the three grantees of Florida lands to use the personal influence which, as officers of the King's household, they may have with him for the purpose of assisting him in his design, giving them the hope that if Yrujo was out of the way the treaty might be rejected, or at least their claims be protected. But it is considered as very doubtful whether, having obtained his object, he will not consider it safer for himself to suffer the ratification of the treaty rather than to involve his sovereign in difficulties, the effect of which might soon fall upon himself.

Mr. Onis is generally spoken of as Yrujo's successor, which certainly augurs in favor of the ratification. He, however, remains here, waiting, it is presumed, to be sent for, but not wishing to have the appearance of desiring the appointment. He is here cautious in his language; but I understand from a

source entitled to credit that he has written to Madrid advising the ratification in forcible terms, and stating correctly what would be the effect of a different course.

The general opinion here, both with this government and with the best-informed ministers of other powers, is that the treaty will be ratified. I think that this opinion is entertained even by the British legation. But I must add that whenever I have been able to ascertain on what that opinion was founded, I found that it rested more on conjecture than on any positive fact, and that the conviction that a rejection would be fatal to Spain is the principal reason for believing that she will ratify. I have made every verbal observation to the Minister of Foreign Affairs which the occasion required. His disposition is very friendly, and this government is sensible of the danger which that of Spain would run by not ratifying. The French ambassador will give his advice accordingly, but with what degree of energy and what effect I cannot say; and, as it is only a ratification for which they are anxious, he may advise also Mr. Forsyth to exchange the ratifications without minding the land claims. This gentleman is, however, on his guard in that respect, and I write to him on the subject in order that he may fully understand the views of this government. It is still disbelieved here that the British had any agency in Yrujo's removal, that their government has acquired any influence in the Spanish counsels, or that they have interfered against us with respect to Florida.

I have the honor, &c.

GALLATIN TO JOHN FORSYTH, UNITED STATES MINISTER TO SPAIN.

PARIS, July 9, 1819.

DEAR SIR,—I have received your letters of the 13th, 23d, and 26th of June, and thank you for the information they contain.

It was probable that the British government did not view our acquisition of Florida as dangerous to themselves, not, at least,

in the exaggerated manner in which it has been represented by the English papers; and I had believed that, unwilling to irritate us, and aware of their want of influence with the Spanish Cabinet, they had made up their mind not to interfere. What may be the effect of an invitation on the part of Spain it is difficult to judge. There is as yet no fact within my knowledge proving their intention to accede to proposals such as you allude to. Their foreign enlistment bill is a proof that they intend to regain the interest they had lost in Spain, but not that they would run any great risk for that purpose. Toledo has passed through this place on his way to London. Mr. Rush will be better able to give you information on the dispositions of the English government than I can be. I will not fail to communicate anything that I may learn.

The government of France continues to be friendly and disposed to render such good offices in this case as may be done without too great commitment on their part. But, although they wish Florida to fall into our hands rather than in those of any other power, the only point in which they really feel any interest is that there should be no rupture between us and Spain. Provided an accommodation takes place, the terms are a matter of indifference to them. They acknowledge that a confirmation of the large land grants would be contrary not only to the understanding of both parties, but to the spirit of the treaty; that since five millions of dollars are to be paid out of the proceeds of the sales of the lands, that pledge cannot be lessened under the pretence of grants made about the same time that it was offered or ordered to be offered. But they nevertheless care not whether we lose the lands or not, provided the treaty is ratified. I do not know what are the instructions of the Duke of Laval; but I am confident that he will at the same time advise the Spanish government to acknowledge the nullity of the grants and you not to insist on that point.

I will regret with you that the treaty should not be ratified. But I wish the King of Spain would be made to understand that the treaty is as advantageous to her as to the United States; that Florida was an expensive, insulated, and useless possession; that in exchange for it Spain obtains the cession of our claim to a ter-

ritory intrinsically more valuable, to her infinitely more important, since it gives her the so much desired barrier to Mexico; that if she does not accept the proposal at present, there is no chance of its being hereafter renewed; and that, supposing she pays the five millions, and we are good-natured enough to put up with her breach of faith in refusing to ratify a treaty made in conformity with the King's instructions, the least she can expect is that we will take immediate possession of the country we claim, at least as far as the Colorado. We certainly will then keep it; and will that preserve Florida from ultimately and by the irresistible course of events falling in our hands? But Spain has greater and more immediate dangers to expect from a refusal to ratify, and if she chooses that course she must abide the consequences. Sure am I our government will not suffer itself to be made a dupe, and that it will be supported by the nation in the course which will be thought most eligible on the occasion. What that will be I do not pretend to know and will not try to conjecture.

As to yourself, my dear sir, although my congratulations may have been premature, your own course is safe, and whilst you adhere to your instructions, and make no abandonment of the rights of the United States, you will be supported and applauded whether your efforts are crowned with success or not. But I have no doubt that attempts will be made, perhaps from various quarters, to divert you from that course. European diplomacy is very crooked, and for that reason very silly. I dare say that Onis, whom I do not trust any more than any other, applauds himself, and thinks in that affair of grants he has overreached our government. But to what purpose? The declaration which you are instructed to make will probably be sufficient to defeat the fraud. But if it did not, and the grants should afterwards produce some embarrassment, the only consequence would be our right, after such declaration, to make new demands against Spain, which would be enforced, and which good faith on her part, or on that of her negotiators, would have prevented.

The general opinion here continues to be that the treaty will be ratified. Onis, who was to leave Paris yesterday for Madrid, has said the same thing; but he has made some allusions to the

obligation of the United States to preserve their neutrality and to carry their laws into effect. Whether this is a new battery intended against you, or whether he intends this pretence to reconcile his conduct as negotiator with what may be required from him if he should be made minister, I do not know. He is, however, said to have written to Madrid in favor of the ratification.

I understand that the Duke de Laval has also written that in his opinion the treaty would be ratified, and that you might have detained your corvette some time longer.

It is not believed here that the British government had anything to do with the fall of Yrujo.

Mr. Lowndes has gone to Italy and Switzerland, but is expected to return through Paris on his way to England and the United States. I will keep your letter till his return.

I remain, with perfect respect, dear sir, your obedient servant.

CRAWFORD TO GALLATIN.

WASHINGTON, 24th July, 1819.

MY DEAR SIR,—The departure of Mr. Hyde de Neuville offers so favorable an opportunity of presenting my respects to you that to omit using it would be something like an act of disrespect to him.

He is, as you no doubt have been informed by Mr. Adams, quite a favorite with the Administration, and no less so with the citizens. He deserves the esteem of both.

He will be able to give you the secret history of the Spanish negotiation, which but for his good offices would probably have been postponed for years.

You have, no doubt, seen the report of the bank committee during the last session of Congress, and have learnt the result of the efforts of its chairman. A more unfair exposition of the transaction of the bank could not have been offered to the public.

When fairly represented they were highly censurable, and

deserved the severest animadversion. Such a representation would probably have forwarded the views of the chairman more effectually than the one he thought proper to make. The old proverb, "Let envy alone and it will punish itself," was never more perfectly verified than in this case. I have been strongly censured for not throwing myself between the bank and the investigation which was set on foot. The folly of the censure is manifest. The object of the inquiry was to ascertain what I had no legitimate means of knowing, and what in fact I did not know, except from the newspapers and common rumor. The bank never communicated to me their determination not to receive their own paper except where payable, its determination to discount upon their own stock at $125 for $100, or any other act which I had not a right to demand of it. It was, therefore, impossible for me to shield the bank against the examination, unless a declaration that it had discharged its duties to the Treasury would furnish that shield. The examination has, however, saved the bank, without, however, the consent of the majority of the committee. It is impossible that specie payments could have been continued to this time with Mr. Jones at its head. In saying this I am very far from insinuating anything against his integrity, industry, zeal, and, I may add, talents; for he has certainly a considerable degree of talent. I regretted extremely the necessity there was for his retiring from office, and reluctantly gave my advice for the election of his successor. His removal, however, was indispensable, not only as a propitiatory offering upon the altar of public opinion, but for the preservation of the bank itself. He had so completely enveloped himself in the policy of the Baltimoreans, so completely was he taken in their toils, that he obeyed no other impulse. It is now ascertained that the branch direction of Baltimore wished the suspension of specie payments, and were conducting the affairs of the office to effect that object. The president, cashier, and teller of the bank made use of the funds of the institution as if they were their own, taking what they wanted and dividing the rest out among their confederate friends. A scene of fraud and swindling has been exhibited there which would suit much better the Court of

St. James or that of Vienna than a republican city of not more than half a century's growth. The funds of the corporation have been dilapidated to an amount not much below $2,000,000. Under the administration of Mr. Jones this dilapidation would not only not have been discovered, but would have been carried to an extent which would have produced the most widespread ruin among the stockholders. It was partly discovered shortly after Mr. Cheves came into the presidency; and, after obtaining such security as the parties were able or willing to furnish, the cashier was removed. This act was a death-blow to the swindlers. They distinctly saw that concealment was no longer possible. Buchanan resigned the presidency, and endeavored to have the removal of the cashier denounced in a town-meeting. His friends who were friendly to the bank offered him $400,000, which he had the candor to admit was of no use to him. This unveiled his plan of denunciation and of bankruptcy, into which he had drawn a number of others. What he was about to do from necessity, and throw the odium of it upon the bank, they were going to do to express their indignation at the removal of a swindling officer. The town-meeting was abandoned, and the public indignation fell where it was deserved, upon the officers of the branch bank. It is proper to observe that General Smith is acquitted in Baltimore of all the disgraceful acts which have covered Buchanan and McCulloh with indelible disgrace.

The United States Bank is now entirely safe. Its affairs have been managed with skill, integrity, and great energy by Mr. Cheves. Until lately he has been absolute. About the middle of April it was in the utmost peril. It owed the Philadelphia banks more than the amount of specie in its vaults. Its means of replenishment were contracted and distant. Under these circumstances he gave me notice that the bank would not receive from the government, and credit as specie, its own notes except at the places where they were payable, and that it would not pay Treasury drafts except at places where the public money had accumulated, without reasonable time being first given to transfer the public money to the place required. From the time the examination was instituted by the House of Representatives, the

board of directors fell into a state of inanity or lethargy, which prevented their transferring advantageously the public money which had accumulated at Charleston, Savannah, and New Orleans. The resolution of the bank, therefore, left me without funds at any point to the east of this place. The public funds were in the West and in the South, where there was but little demand for them, and from whence, especially the former, it was impossible to transfer them to any considerable extent. My reliance was, therefore, upon the collections in the Atlantic cities, to the eastward, and upon transfers which were practicable from the South. The first resource was greatly diminished by the receipt, at those places, of the notes of the Southern and Western offices, which were considered as so much revenue collected in those offices instead of the places where they were received. For such sums time to transfer was necessarily required, according to the regulation of the bank. Against this inconvenience there was no immediate remedy but to refuse to receive the notes of the bank and its offices except where they were payable. To this I was earnestly pressed by Mr. Cheves, who thought there was no doubt of the right of the Treasury to refuse them under such circumstances. I did not concur in this opinion; but if I had concurred I should not have acted upon it, as it was very manifest that the question was not so clear as to admit of no difference of opinion. A refusal to receive them would have been the signal for their tender from Passamaquoddy to the Sabine; the collection of the revenue would have been suspended until the decision of the Supreme Court could have been obtained. There was then a moral and political obligation to receive their notes without reference to the place where they were payable.

The embarrassments, however, which these measures produced have nearly disappeared, and if it was possible to use the Western funds in the support of the army, our fiscal operations would be simple and easy. How far this can be effected depends upon the War Department, which has manifested a strong disposition to aid me in this regard; but owing to the insubordination of the officers and the perverseness of the contractors, but little progress has been made towards the accomplishment of this indispensable object. Unless this can be done, a deficit, not in the

receipts, but in effective revenue, will probably occur during the present, and certainly during the succeeding, year. It is, I think, probable that the expenditures of the next year will have to be reduced, or new impositions exacted of the people. The internal duties were abolished upon the supposition that the annual expenditure, which was then less than $22,000,000, would not be increased. The Congress which abolished them increased the expenditure permanently to about $25,000,000, which increase exceeded the amount at which the internal duties had been estimated. The Revolutionary Pension Bill of itself makes up nearly the difference between these two sums. I think it is probable that the reduction required by the state of the finances will be made in the War Department. This can be effected either by a reduction of the army or by postponing a year or two a large portion of the estimate for fortifications. It is probable that the former mode of equalizing the expenditure and revenue will be adopted. The events of the Seminole war, and other events connected with the army, have produced a strong disposition to reduce, if not annihilate it. This disposition is understood to be predominant in the Senate of the United States. The vote in the other House upon the Seminole war is not to be ascribed to any indisposition to this object. The President threw the whole of his weight against the proceeding, and the Clintonians in the House, who came to Congress most decidedly hostile to the military procedure of the general, suddenly faced about and were his most zealous and clamorous defenders. The rest of New York were in his favor because the President was against the inquiry. When it is recollected that the men who voted for the resolutions are of the number of those who have defended the army against the efforts which have been heretofore made to reduce it, I think its reduction is almost certain, even without the inducement which a deficit in the revenue cannot fail to present. The navy appropriation, I think, will hardly be reduced. You have probably understood that General Jackson has been making war upon me in a manner not less savage perhaps than he made upon the savages themselves. His alleged cause of hostility is that I was hostile to him in the deliberation which his Seminole war produced. Now, in that deliberation

I avoided giving any opinion which could personally affect the general. I confined my opinions and reasons entirely to the preservation of peace with Spain, and connected with it the preservation of the Constitution. There was in fact no difference of opinion in the Cabinet, except on the part of the Secretary of State, who, upon every question connected with the Floridas, has been excessively heterodoxical.

The course pursued by me upon that occasion is distinctly understood by the general; but his hostility has not subsided: at least I have received no evidence of it. The ogling and love-making which commenced last winter between him and De Witt Clinton has been kept up through the summer. It will in all human probability eventuate in toasts and puffs on both sides. It is a connection which has originated in unprincipled ambition on the one side and the most vindictive resentments on the other. It is impossible that the public interest can be promoted by so unhallowed a connection.

Old Pennsylvania Democracy seems to be going the way of all the earth. The late secretary of the Commonwealth seems to have been completely successful in producing another schism in the party. Binns and many others are now making war not only upon him but upon the governor. Strong manifestations have been given of a disposition to bring forward S. Snyder in opposition to him; whilst many, especially about Philadelphia, direct their views to the American minister at Paris as the only means of putting an end to the dissensions which now prevail in the Republican party in that State. I am afraid the defection of Binns, and others who are disgusted with the conduct of Mr. Sergeant, will give to Federalism, aided by the old-school party, a decided preponderance. In the West everything is unsettled. Notwithstanding the ostensible popularity of the Administration, the materials of a most formidable opposition may be easily discovered. Fortunately, no occurrence has yet favored their concentration, or tended to give them form or fix a rallying-point. For the peace of the nation I hope that none will be presented.

Present my respects to Mrs. Gallatin and the other members of your family, and accept the assurance of the sincere regard with which I have the honor to be your most obedient servant.

GALLATIN TO J. Q. ADAMS.

No. 116.

PARIS, July 29, 1819.

SIR,—A report prevailed at Madrid that the King had determined to apply to the British government for the loan of five millions of dollars for the purpose of paying the amount due for spoliations to American citizens, in consideration of which loan Spain would engage not to ratify the cession of Florida to the United States. An agent named Toledo was said to have been despatched to London on that errand, and Mr. Forsyth wrote on the subject to Mr. Rush and to myself. It was also for some days asserted and believed here that Toledo had passed through Paris on his way to England. It is now ascertained that he never went beyond Bordeaux, where he had gone either on family affairs or perhaps on some business connected with the arrangement made by Spain with French houses for the hire of transports. I have not heard from Mr. Rush on the subject, but have reason to believe that no such proposal has, through any channel, been made by the Spanish government to that of England.

The King of Spain was not expected to return from Lacedon to Madrid before the 26th instant, and nothing definitive would be done in our business before that time. The refusal to permit Lozano to accompany the King to Lacedon was considered as an evidence of the declining influence of that Minister. In the mean while, our treaty had again been taken in consideration by the council of state, and all the reports agree in stating that it was agreed almost unanimously to advise the King to ratify the treaty.

Last night Mr. Dessolle, in relating the fact, added that not a single member of the Spanish council would advise that the grants of lands should be declared null. He said that this government, from their friendship to both countries, continued to interpose their good offices; that perhaps it might be best to leave the construction of the treaty to our tribunals, without entangling the change of ratifications with new difficulties; and that in order to avoid a discussion with Mr. Forsyth the Spanish

government would perhaps send the King's ratification to his chargé at Washington in order to be exchanged there. I told him that this course would only transfer the discussion from one place to another; that in the mean while the six months limited for the exchange of ratifications would have elapsed, and that it was not probable, if the treaty was not fairly ratified according to its true spirit, that the United States would renew any negotiations, since it would in that case appear that even a solemn agreement afforded no security and did not bind Spain. I believe that all these suggestions came from the French ambassador at Madrid.

The intended mutiny of the troops at Cadiz, which was only prevented by disarming a large portion of them, is considered here as breaking up the great expedition against Buenos Ayres. It is, however, still believed that about 3000 men have sailed the 11th instant from Cadiz to reinforce Morillo.

It is not yet ascertained whether Onis has been permitted to reach Madrid, or whether he has been stopped by order of his government at some intermediate place.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 120.

PARIS, September 3, 1819.

SIR,—My last advices from Mr. Forsyth were of the 21st ultimo. He informed me that the Spanish government had announced to him the King's determination not to ratify the treaty until he had obtained from the United States some previous explanations, for which purpose he intended to send a minister there with the necessary powers to that effect; that he (Mr. F.) had in reply stated that he was able to give an answer to any points on which Spain might wish to obtain explanations, and that the refusal to exchange the ratifications within the time prescribed by the treaty would be tantamount to a rejection.

The French government received yesterday accounts of the 23d, announcing that the Spanish government had persisted, and ultimately refused to ratify. From another quarter I un-

derstand that the minister they intend to send, probably with the character of ambassador, is the Duke of San Fernando.

In a conversation I had last night with Marquis Dessolle, and in which he regretted the result and did not appear perfectly satisfied with the conduct of the French ambassador at Madrid, he frankly acknowledged that France had lost a considerable part of her influence with Spain, and that the present Ministry of this country were considered as Jacobins by many of the foreign powers; a charge which is really unjust and absurd.

To the offer made by Spain to Portugal, it has been answered that it would be accepted, provided that Olivenza should be restored, the neutrality of Brazil be recognized, and Montevideo declared a free port. These conditions had, it seems, been all agreed to by Spain during the course of the negotiation; but the last was connected with the expectation of a mediation between her and the colonies. She does not seem disposed to agree to any of them now; and the result of the negotiation is as uncertain as ever.

The equipment of a powerful fleet in England (said to be fifteen ships of the line) excites here a considerable alarm. Its object has not been communicated to this government. The ministers of Russia and Spain, and, as far as I know, those of all the other powers, are equally uninformed. No person can even form any conjecture of the object for which such an armament could be necessary.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 122.

PARIS, 24th September, 1819.

SIR,—You will have been informed before the receipt of this letter that the Duke of San Fernando, after having refused the mission to the United States, has been appointed Minister of Foreign Affairs. This is considered as a triumph over Lozano, and the offer to send the Duke to America as a fruitless effort to get rid of a dangerous rival.

The Marquis Dessolle says that when our treaty was before

the council of state, the Duke of San Fernando said that he disliked it, but that it was better to cede a province than do anything which might throw doubts on the King's good faith. It is added on the same authority that the Spanish Cabinet will instruct the minister they are going to send to the United States to enter into explanations respecting the Florida grants, and to ask that our government should engage not to recognize the independence of the Spanish colonies, but that there is a disposition to arrange the first point to our satisfaction, and that if the last cannot be obtained, it will only be asked that we should take more efficient measures with respect to armed vessels sailing under the insurgent flag.

The Marquis expressed great anxiety on the subject, and much apprehension of the consequences of what our government might do on receiving the account of the non-ratification of the treaty. In pursuing the same temperate course which had heretofore marked all our measures, the United States must unavoidably obtain all they desired. They had now the general good will and, for the particular object in question, the wishes of all Europe. Independent as they were of this hemisphere, this consideration ought, nevertheless, to have its weight; and very different feelings would prevail if we adopted such violent measures as would provoke a war. He added some other arguments connected with the probable views of Great Britain, though he acknowledged that she had behaved fairly on this last occasion.

I replied, generally, that, after what had passed, the European powers could not be astonished that the government of the United States, having lost all confidence in that of Spain, should take more decisive measures than had heretofore been adopted, and that it was her conduct over which the powers friendly to her should try to acquire some influence.

The Russian minister had expressed sentiments in substance similar to those of this government; and there can be no doubt of the fact that they apprehend and will see with displeasure a rupture between us and Spain. That opinion I had already expressed in my despatches of last year; and although I am satisfied from every report that Great Britain has not opposed the ratification of the treaty, and done nothing to encourage the

war between us and Spain, I am still convinced that she would profit by it, and that the greatest immediate injury arising from it would be the depredations on our commerce by privateers armed here and in England under Spanish commissions.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 124.

PARIS, 25th October, 1819.

SIR,—I had the honor, in conformity to your request, to transmit in my despatches Nos. 40 and 51 copies of the French tariff and of the communications of our several consuls on the subject of the extra duties and charges laid in the ports of France on the commerce of the United States. The great inequality in favor of French vessels produced no effect so long as the French navigation remained in that state of nullity in which it was left at the close of the war. But everything has recovered here with unexampled rapidity; and although we still preserve a great superiority in maritime affairs, it is not such as to counterbalance the difference in the rate of duties. American vessels are daily withdrawing from the trade, and if the evil is not corrected the whole of the commerce between the two countries will soon be carried on almost exclusively in French vessels. Our countervailing system of extra duties is wholly inefficient to protect our navigation, and if they were still more increased on the same plan, the French duties continuing the same, the ultimate effect would be that all our importations from France would be made in American, and all our exportations to France in French, vessels. This, considering the respective bulk of both, would give to the French four-fifths of the navigation between the two countries.

Although the general conversations I have had on the subject, the spirit of exclusion and monopoly which prevails here, and the conduct of this government in the case of the brokers at Havre, gave no hopes of obtaining relief through the medium of negotiations, and although I felt a reluctance to make an

application that would not probably be favorably received, the circumstances appeared so urgent that I have thought it my duty to address the Minister of Foreign Affairs the letter of which a copy is enclosed.[1] It will, at least, have the good effect of preparing them for any modification in our laws which may appear necessary for restoring equality. And notwithstanding their habit of not answering and of postponing whenever they do not wish to discuss, I hope to be able to communicate to you their real determination in time for Congress to act during the ensuing session, if that course should be deemed eligible.

The difficulty in that case will be to find an efficient remedy. I have already alluded to it in my despatch No. 88, in which I suggested the utility of obtaining an amendment to the Constitution of the United States which would authorize Congress to lay a duty on produce of the United States when exported in foreign vessels. But that process is uncertain and dilatory. On reflecting on the subject, it has appeared to me that another mode might be adopted, which I beg leave to submit to your consideration.

It consists in repealing our existing discriminating duty (of 10 per cent. on the ordinary duty) on merchandise imported in foreign vessels, and in substituting to it an additional duty on those vessels, equal on an average to the extra duty which foreign countries lay on our produce when imported there in American vessels.

To apply this to France, and taking the French extra duty on cotton, which is our principal export there, as the criterion, the difference between the duty laid here on cotton when imported in our vessels and that laid on it when imported in French vessels is about one cent and a quarter per pound. Supposing, then, that a vessel carries at the rate of about 1000 pounds of cotton to a ton, the difference amounts to about 12½ dollars per ton; and this is the additional tonnage which, being laid in our ports on all French vessels, without regard to their inward or outward cargoes, would countervail in a direct man-

[1] This note will be found in American State Papers, vol. v. (Foreign Relations) p. 33.

ner the French extra duty. This statement shows the greatness of the evil to be corrected, since, even admitting some error in the estimated quantity of cotton which vessels carry on an average, the difference against vessels of the United States is more than the whole price of the freight. Calculated on tobacco, that difference is still greater, and amounts to nearly 17 dollars per ton; for although the duty when imported in American vessels is but two-thirds per pound of that laid on cotton, a vessel will carry at least twice as much tobacco per ton as cotton. There can be no doubt that, taking into consideration the whole trade, the additional tonnage duty of 12½ dollars per ton on French vessels generally, substituted to our existing discriminating duties, will no more than countervail the extra duties laid by the French government on our vessels.

But, in order to render this plan altogether efficient, I think it would be necessary to authorize also the President, in case the government of France should attempt to defeat it by laying additional duties on our vessels, to increase in the same proportion the proposed tonnage duty on French vessels. And a provision might be added that all those extra duties should cease on our part whenever France consented to repeal theirs.

I have only alluded to the general extra duties paid into the public treasury; but there are various other local charges laid on our vessels, such as pilotage, brokerage, &c., which are sometimes heavy, and always vexatious, but which it is more difficult to countervail, because they are not uniform. Their nature and amount are stated in the consular communications formerly transmitted; that which relates to the ship-brokers of Havre is fully explained in my despatch No. 103; and I must add that to the letters which I addressed to the Minister of Foreign Affairs on that subject I have received no further answer. The average amount of those various charges might be estimated and added to the suggested additional tonnage duty. But the most efficient mode to obtain redress in those cases would be to lay another specific duty on French vessels, equal to the charges which, in the ports to which these vessels might respectively belong, are laid on American vessels. That specific duty would of course vary according to the French ports from which the vessels came;

and although there might be some difficulty in the execution, it seems to me that it may be surmounted by making the certificate of consuls legal evidence of the amount of the extra charges imposed in their respective consular districts on American vessels.

The importance of this subject will be my apology for having offered these suggestions. Of the greatness of the injury sustained by our commerce, and of the necessity of applying without delay a remedy, there can be no doubt. I hope that I may be mistaken on one point, and no endeavors shall be omitted on my part to induce this government to alter their policy; but I firmly believe that nothing will produce that effect but the adoption of countervailing measures on the part of the United States.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 125.

PARIS, 26th October, 1819.

SIR,—I have no advices from Mr. Forsyth since the arrival of the Hornet. It is reported, on the authority of the French ambassador at Madrid, that the Duke of San Fernando is still disposed towards an arrangement of the difficulties between the United States and Spain, but that having still to encounter the faction of Lozano and others he must act with great caution, and that there was no expectation that a favorable answer could be obtained from him within the short time fixed by Mr. Forsyth for an ultimate decision. The reports of Tatischeff, the Russian minister to Spain, who passed through here on his way to Warsaw and St. Petersburg, are also unfavorable. I did not see him; but from his language to Pozzo I infer that his conduct in our affairs has not been as friendly and open as we might have expected. I cannot say whether this should be ascribed to his knowledge of his sovereign's intentions or to his anxiety of preserving his personal standing and influence with the Court of Spain. Whatever may have been the conduct of the French ambassador there during the course of the negotiations, there can be no doubt of the friendly dispositions and candor of this gov-

ernment in our affairs with that Court; but the present Ministry had no influence in that quarter.

Their great anxiety is still that there should be no rupture, and they feel much apprehension of the ensuing proceedings of Congress. They seem to fear principally the forcible occupation of any place in Florida in a manner similar to that of Pensacola last year, or a positive recognition of the independence of some of the Spanish colonies, as likely to lead to war, or calculated at least to preclude every expectation of a friendly arrangement. It is altogether impossible, however, to foresee whether these apprehensions would be justified, and to calculate how far the United States may go without provoking a declaration of war on the part of Spain. She is weak, but proud; will bear much, but not beyond a certain point; and the measures of her government have heretofore been so extraordinary that no rational conjecture can be formed of what it may do in any given situation. So far as I can judge, I think the occupation of what is called the province of Texas and of any part of Florida which may be taken possession of without recourse to actual hostility would be acquiesced in.

Should a war be the consequence of any measures of the United States which would be considered here as too violent, they will lose the good will of France and Russia, and the friendly relations now subsisting with those two countries may be seriously affected; but Spain will have no allies, and receive no other assistance but what may be derived from the privateering system to which I have alluded in my former letters.

It would be more important, but it is more difficult, to ascertain the real views of Great Britain. That she has not interfered to prevent the ratification of our treaty appears to be more than probable; but her situation impels her to seek at almost any risk markets for her manufactures and employment for her seamen. Her conduct seems to prove that, though under peculiar restraints from previous engagements, she wishes the emancipation of the Spanish colonies, without which she can never obtain a free trade with them. I cannot, therefore, help thinking that she would see a war without regret take place between us and Spain, of which she would hope to reap the fruits without expense, with-

out risk, and without altering her relations with that country or with the other European powers. My letters of last autumn gave you a true statement of the manner in which she defeated the plan of a mediation between Spain and the Spanish colonies, and she has now put an end to that between Spain and Portugal in a manner which shows her object without much disguise.

The last offer of Spain, as mentioned in a former despatch, was to pay in money the indemnity promised to Portugal; but in doing this she considered herself as released from the obligation to restore Olivenza, and from that of leaving Montevideo a free port. The mediating powers were unanimously of opinion that Olivenza must be restored to Portugal; but a majority (all, I believe, with the exception of the British ambassador) concurred in considering the condition of leaving Montevideo a free port as having been connected with the plan of a mediation between Spain and her colonies, and as being no longer binding on Spain. The British government has, in consequence of this determination, delivered an official note to the other mediating powers, declaring that Great Britain cannot become a party to any treaty which should restore to Spain any of her colonies now enjoying a free trade without the express condition that such trade should be preserved. She has by this act, in fact, withdrawn herself from the mediation, which may, of course, be considered as at an end, unless the other powers and Spain shall retract and yield the point. It is now understood that the British armament, the extent of which had, however, been grossly exaggerated, was intended in the first place for La Plata, and might have been employed according to circumstances if, as threatened by Spain, her Cadiz armament had attempted to take Montevideo by force. The calamity which has fallen on that town has, however, as you know, put for the present an end to the Spanish expedition.

This proceeding on the part of England has irritated France, and still more Russia and Spain. It is suspected, perhaps unjustly, that Portugal took possession of Montevideo at the instigation of Great Britain. It is evident that she has prevented its being restored to Spain, and that her object was at all events to preserve her commerce with Buenos Ayres and La Plata. If

Montevideo had been thus given up, Spain, with that port at the mouth of the river in her possession and a few armed vessels in the river itself, would have effectually blockaded Buenos Ayres and the whole colony; and to such actual blockade Great Britain as neutral must have submitted. Whatever the result of the contest might have been on land, she would have lost the trade of the country. In order to prevent this, she threw in through Portugal every possible impediment to the negotiation, and has not hesitated at last, when every other means had been exhausted, to withdraw from the mediation, and almost to avow her object.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 130.

PARIS, 8th December, 1819.

SIR,—It was not till the 27th ultimo that your despatch No. 15, of the 23d August last, reached me. The language I had held on the subject of our Spanish affairs was not inconsistent with the views of the President, but would have been more explicit had they been distinctly known to me. The only use that could now be made of your instructions was to prepare this government for the intended occupation of Florida; but on account of the late change of Ministry I could not before to-day obtain an interview with M. Pasquier, the new Minister of Foreign Affairs.

After some preliminary observations on the negotiations antecedent to the treaty, I stated that the refusal of the King of Spain to ratify a treaty concluded under his authority and in conformity with his instructions must be considered as a breach of faith; that no confidence could after this be placed in the success of new negotiations without some security that they should not again be attended with a similar result; and that it was therefore the intention of the President to occupy Florida, not with any views hostile to Spain, but simply for the purpose of having a pledge of her fulfilling as well the obligations the

validity of which she did not deny as the engagements which might result from a renewal of negotiations. I added that, although this measure could not, according to our institutions, be adopted without the concurrence of Congress, I had been instructed to make known the intention of the President to the government of France, a communication not only founded on the amicable relations subsisting between the two countries, but which was due to the friendly interposition of his Majesty on this occasion.

Mr. Pasquier expressed his regret at this result, and said that, without denying the force of our reasons, he would observe that the government of Spain was differently organized from that of the other European powers; that Spain compared with us was the weaker power, and that for those reasons more indulgence might be shown to her, and would not have been attended with any great inconvenience to the United States; that we might have occupied Florida as easily six months hence as at this moment, and that he had already written to the French legation at Madrid, and conferred with the Spanish ambassador here, in order to hasten the departure of the new minister of Spain to the United States.

I alluded, in reply, to the repeated delays and denials of justice which we had already experienced from Spain, assured Mr. Pasquier that the patience of the nation was quite exhausted, and observed that, my despatches having been retarded by some accident, the communication I was now making had become that of a fact rather than that of a subject of discussion.

The conference ended in mutual expressions of good will, and in assurances of the intention of both governments to preserve and strengthen the friendly relations subsisting between the two countries.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 131.

PARIS, December 9, 1819.

SIR,—The change of Ministers has thrown new delays in the discussion of the commercial propositions which I had made to this government. Mr. Pasquier has promised to take them immediately into consideration, and seems to understand both the reasonableness of what we ask and the difficulty of acceding to it without giving great displeasure to the shipping interest of France. The council of commerce (consisting of eminent merchants), to whom the proposals in the first instance had been referred, have reported that a nominal equality would give a decided superiority to our navigation, that the French discriminating duties were, however, too high, and that they should be reduced to two-thirds of their present amount. I have explicitly declared that if, instead of abolishing all those duties on both sides, an equalization was attempted, the reduction proposed by the council of commerce was altogether insufficient, and I could not accede to it.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 133.

PARIS, 13th January, 1820.

SIR,—The President's message at the opening of Congress was received here, by the way of England, on the 10th instant.

I observed to Mr. Pasquier that the President, on being informed of the intention of Spain to send a minister to the United States with new explanations, had determined to wait for his arrival, provided it took place during the present session of Congress, before he should proceed to occupy Florida; that this delay, after all that had passed, was a most undeniable proof of the earnest desire of the United States to arrange in an amicable way their differences with Spain; but that it was the last act of condescension which could be expected, and that

this government might be assured that if the Spanish minister did not arrive in time, and with satisfactory instructions, Florida would be forthwith occupied, for the reasons which I had already been instructed to communicate, and which were explained more at large in the President's message.

Mr. Pasquier assured me that he had repeatedly written, and had again since the receipt of the President's message renewed his instructions to the French legation at Madrid, to impress on the Spanish government the necessity of sending the new minister without delay. He added that he regretted that he had not departed before the receipt of the President's message, some parts of which would, he feared, have an unfavorable effect in Spain. I understood him to allude to the paragraphs respecting the Spanish colonies; and the Spanish ambassador, who has always been friendly to the ratification of the treaty, was explicit on the subject. I reminded Mr. Pasquier of the well-known efforts of our government to prevent a premature recognition of the independence of the colonies, and said that the conduct of Spain towards us had been every way calculated to hasten that event. She must, however, well consider the unavoidable result of the ultimate steps she was going to take. If the treaty was not ratified, Florida would most certainly be occupied; and then Spain must either submit to it, however painful to her pride, or by a rupture with the United States lose the last hope of recovering the insurgent colonies and of retaining even those on the continent which she still possessed.

With the exception of those observations and of some offensive and unfair comments in an ultra newspaper, the President's message has met here with very general approbation. The Russian minister expressed himself quite satisfied with it, and was of opinion that it would be well received by his government. Indeed, since Russia has lost her influence at Madrid, I would not be surprised to see her much more explicit on our side.

General Vives, the new Spanish minister to the United States, if I do not mistake his name, is expected at Paris, and has orders to confer freely with this government. This would be favorable to a pacific result if there was time; but, considering the season

of the year and the usual slowness of Spanish movements, I think it hardly possible that that gentleman will reach Washington before the adjournment of Congress.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 134.

PARIS, January 15, 1820.

SIR,—I have spoken several times to Mr. Pasquier since my letter of the 9th ultimo on the subject of discriminating duties. He always professed sentiments friendly to whatever might increase the commercial relations between the two countries, and appeared disposed to meet in some manner the overture made on our part. But he always added that the French merchants were extremely averse to a total abolition. I addressed to him on the 6th instant the letter of which a copy is enclosed,[1] and he had positively promised to send me yesterday an answer, which is not yet received. The departure of the Stephania compels me to write to you without waiting for it. I understood that at all events that answer would not be decisive, and a projet of law, making sundry alterations in the custom-house duties, was yesterday presented to the Chamber of Deputies, which contains no alteration in the discriminating duties of which we complain. The effect of these becomes every day more manifest. At Nantes, where not a single American vessel has arrived within the last eighteen months, eight French vessels have arrived with cargoes of American produce within the last six months of 1819. I am confident that this government will make no sufficient alteration until they are compelled to do it by our own acts. They have received full notice on that subject, and cannot complain of any measure founded on the principle of equality. But it is evident they wish to gain time till Congress is adjourned, in order to enjoy the monopoly of the trade for one year longer; and it is probable that Mr. Hyde de

[1] See American State Papers, vol. v. p. 35.

Neuville will receive instructions for the purpose of persuading you that an arrangement will be made here. A clause in your Act, leaving a contingent power to suspend its operation in case such an arrangement should take place, is all that appears necessary to obviate every objection.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 135.

PARIS, January 20, 1820.

SIR,—I have now the honor to enclose the copy of Mr. Pasquier's long-promised answer on the subject of our commercial relations, which was not received till after I had closed my last despatch to you. I am confirmed in the opinion that nothing will be done here until we shall have done justice to ourselves by our own measures. The Ministry is, I think, well disposed; but they will not act in opposition to the remonstrances of the shipping interest and of the chambers of commerce, which have been consulted. That of Paris is averse to our proposals. Indeed, Mr. Pasquier informed me that that of Bordeaux alone had given an opinion favorable to them.

GALLATIN TO J. Q. ADAMS.

No. 137.

PARIS, February 15, 1820.

SIR,—General Vives, the new minister of Spain to the United States, arrived at Paris on the 11th instant, and left it on the 14th for London, with the intention to embark at Liverpool in the New York packet, which will sail on the 1st day of March.

Mr. Pasquier, after having seen him, invited me to an interview on the 12th, and said that he was in hopes that the differences might still be adjusted. General Vives had told him that the principal points with Spain were that the honor of the Crown should be saved (mis à couvert) in the business of the grants, and to receive satisfactory evidence of our intention to preserve

a fair neutrality in the colonial war. Mr. Pasquier had observed to him that it would be a matter of deep regret that private interest should prevent the conclusion of such an important arrangement, and that when it was clear that there had been at least a misunderstanding on the subject, the King's dignity could not be injured by a resumption of the grants or by an exchange for other lands. He seemed to think that this would be arranged, and asked me what I thought we could do respecting the other point. I answered that the fullest reliance might be placed on the fairness of our neutrality, and that I was really at a loss to know what could be added to the measures the United States had already adopted to enforce it. Mr. Pasquier gave me to understand that if there was any defect, however trifling, in our laws, and that was amended, it would probably be sufficient to satisfy the pride of Spain, as there now appeared a real desire to ratify, provided it could be done without betraying a glaring inconsistency. He had expressed to General Vives his opinion of the impropriety of asking from the United States any promise not to recognize the independence of the insurgent colonies, and had told him that, on that subject, Spain could only rely on the moral effect which a solemn treaty, accommodating all her differences with the United States, would have on their future proceedings.

I expressed my hope that the explanations which General Vives was instructed to give on the subject of the grants and to ask on that of our neutrality might be such as to remove all the existing difficulties. But it was most important that he should arrive in the United States before the adjournment of Congress, and that he should be the bearer of the King's ratification of the treaty; so that, if everything was arranged, those ratifications might be at once exchanged at Washington. If that was not done, the President would have no more security that the King would ratify General Vives's than Mr. Onis's acts, and it was impossible to suppose that he would run the risk of a second disappointment. This observation forcibly struck Mr. Pasquier, who said that he would make further inquiries on that point.

I saw the same evening the Spanish ambassador at this Court,

and in the course of a short conversation he suggested that the grants in dispute might be set aside, the grantees not having fulfilled certain conditions or formalities; and, after acknowledging that General Vives was not the bearer of the King's ratification, he hinted that he was authorized to give to the United States satisfactory security that Spain would fulfil her engagements.

On the 13th I dined at the Minister of Foreign Affairs with General Vives, who repeated to me in substance what he had said to Mr. Pasquier. I told him that the President would judge of the explanations he had to give on the subject of the grants; that he might rely on the determination of the United States to preserve their neutrality, and not less on the manner in which the laws for enforcing it were executed than on the tenor of those laws, which, I observed, were and had always been more full and efficient than those of either England or France on the same subject; that I could not say whether the question of recognizing the independence of the insurgent colonies would be agitated during the present session of Congress; but that, if it was, the decision would probably have taken place before his arrival. On his observing that such recognition would altogether prevent any arrangement, I only reminded him that the government of the United States had for several years endeavored to prevent the adoption of the propositions made in Congress with that view.

I then repeated what I had said to Mr. Pasquier respecting the importance of his being authorized to exchange the ratifications of the treaty. He answered that, although he was not, he could, in case of an arrangement, give satisfactory security to the United States, and that it would consist in consenting that they should take immediate possession of Florida, without waiting for the ratification of the treaty.

General Vives repeated in the course of the evening the same thing to Mr. Pasquier, with whom I had afterwards a short conversation on the subject. He seemed extremely astonished that the Spanish government should have adopted that course rather than to authorize their minister to exchange at once the ratifications, and ascribed it to the singular policy of that Cabinet, and to their habits of procrastination, which had been evinced at

Vienna, and in every subsequent negotiation to which Spain had been a party. Since, however, the measure they proposed coincided with the views of the President as stated in his message, and would at all events prevent a rupture, we both agreed that no time should be lost in communicating to you General Vives's declarations.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 140.

PARIS, March 16, 1820.

SIR,—I had on the 9th of June, 1818, addressed a letter to the Duke de Richelieu in relation to the American vessels Dolly and Telegraph, burnt at sea by two French frigates in the latter end of the year 1811. Mr. Lagrange, the lawyer of the owners, communicated to me a short time ago the decision of the council of state in that case, copy of which, as well as of my letter to the Duke of Richelieu, is herewith enclosed. You will thereby perceive that the application for indemnity has been rejected, principally on the ground that the French captains must have been ignorant of the revocation of the Berlin and Milan decrees, since the decree of the 18th April, 1811, was not published till the 8th of May, 1812.

It appeared to me essential not only to remonstrate against this flagrant injustice, but also to refute at large the doctrine thus attempted to be established in violation of the solemn engagements of the French government. The effect the decision might have on our claims in general, and the ground which had been uniformly assumed by the government of the United States in its discussions with that of Great Britain, and in all the public reports made on that subject. are considerations too obvious to require any comment on my part. I have the honor to enclose a copy of the letter[1] which I have addressed to Mr. Pasquier on the occasion, and am, with great respect, &c.

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[1] This letter will be found in American State Papers, vol. v. (Foreign Relations) pp. 294–298.

GALLATIN TO J. Q. ADAMS.

No. 141.

PARIS, 17th March, 1820.

SIR,—I had mentioned in my despatch No. 136 that although the insurrection of the Spanish army was considered as decisive with respect to the fate of the intended expedition against the colonies, yet it was the general opinion here that it would have no political result in Spain itself. That belief continued to prevail during nearly two months, and was corroborated by the resistance of Cadiz, and by the total apathy of the people of the adjacent provinces of Andalusia and Granada. It was indeed allowed that the temporizing conduct of the Spanish government arose from the fear that the troops under Freyre and O'Donnell, although they had not joined the insurrection, could not be trusted if brought in contact with the insurgents. But it was presumed that these, confined in the island of Leon, would not remain long united, and that seeing that, although they had proclaimed the constitution of the cortes, they were not supported in any part of the monarchy, they would ultimately submit. The charm was suddenly broken by the unexpected insurrection of the important province of Galicia. As soon as this was known here, Mr. Pasquier acknowledged to me that the question was decided; that if there was any resource left, it was to give instantaneously a charter to the Spanish nation,—a course which, I think, had been at different times strongly recommended by this government,—but that he feared it was too late, and that the constitution of the cortes would be forcibly imposed on the King.

The event, as you must already know, has justified this opinion. The constitution of the cortes was almost at the same time proclaimed in Aragon and Old Castile, and by the troops collected at Ocana, near Madrid. An insurrection would undoubtedly have broken out in the capital during the night of the 7th–8th March had it not been prevented by the King's decree declaring his acceptance of the constitution. So far the revolution appears complete, and has been effected almost without shedding any blood. But the event is much too sudden and too recent to be able to appreciate all its results. The only thing

which is certain is that the whole of Spain was determined to throw off the intolerable yoke under which she groaned, and that she will be free. She has still many difficulties to encounter.

The constitution of the cortes is very imperfect, and appears to be an imitation of that which had been adopted in France in the year 1791. Like this, it has the double defect of having concentred all the important powers in an assembly composed of a single chamber, and of having preserved a nominal King, who, though not personally disliked, is not trusted, and who has not sufficient authority to defend his few remaining prerogatives. Perhaps it has been now resorted to as the only existing rallying-point, and may receive important modifications. There are certainly in Spain strong habits, and even exalted feelings, in favor of royalty, which render that course probable. But if no changes are made by common consent, it is almost impossible that some new convulsion should not take place, unless Ferdinand shall passively submit to be a mere instrument in the hands of the cortes. To this fundamental difficulty must be added those arising from the yet unascertained pretensions of the army, from the hatred between the Josephinos and the Liberales, from the privileges of the provinces, from the deplorable state of the finances, and from the situation of the colonies.

It is not improbable that, taught by experience, the cortes may adopt measures calculated to preserve those colonies which are not in a state of open insurrection; and there seems to be some expectation that some arrangement may be made with Buenos Ayres. The war has been carried on in a too sanguinary way in Venezuela to render it probable that reconciliation with that province will take place.

Spain will probably be indebted to her geographical situation for an exemption from a foreign interference. Symptoms have already appeared here of the wishes of the ultra-royalists that it might take place, and there will be a strong disposition for interfering on the part of some of the continental powers. But it seems improbable that Great Britain should unite in that plan; and the government of France, even if it was so disposed, which I doubt, cannot or dares not send her own troops to Spain, or grant a passage through her territories to a foreign army.

The moral effect of this revolution on other parts of Europe is not yet felt, but will be great. Although no symptom has yet appeared of a disposition on the part of this government to alter the retrograde course which it is now pursuing, the opposition is already emboldened, and it is impossible that such an event should not render the measures proposed still more odious to the people at large. In the mean while, everybody agrees that such an example of a revolution effected by the army is most dangerous, particularly as relates to Prussia. For there also there has been a breach of promise, and there also the army is deeply impregnated with those sentiments of liberty which animate all the enlightened part of the nation. There is an eminent danger of revolutions if the sovereigns are not taught by this example that reliance on a mere physical force is insecure; that their armies may become their most formidable enemies; and that they cannot any longer rely on the stability of their government unless they make in time all the concessions required by the state of society and imperiously demanded by public opinion.

With respect to our differences with Spain, I think that the new administration of that country would make no difficulty on the subject of the grants of land. How far the national pride will be reconciled to the cession itself of Florida may be a more doubtful question. You will undoubtedly recollect that according to the constitution the King cannot grant any portion of Spanish territory without the consent of the cortes. Our treaty will therefore require their ratification.

I have the honor, &c.

[To the duplicate of this letter was added the following:]

P.S.—March 23. I have received, since the above was written, several letters from Mr. Forsyth at Madrid, of which, according to a wish expressed in one of them, I now forward copies herewith enclosed. The proclamations, &c., are the same as are published in the Paris newspapers.

GALLATIN TO J. Q. ADAMS.

No. 143.

PARIS, 27th April, 1820.

SIR,—I have the honor to enclose the copy of a letter I addressed on the 22d instant to the Minister of Foreign Affairs on the subject of a proposed increase of the duties on tobacco imported in American vessels. In a transient conversation I had with him two days after, he informed me that my observations were then before the council of ministers; and although he gave no positive opinion, it appeared to me that they felt some reluctance in opposing the proposition of the committee. I still fear that if nothing shall have been done by Congress, our attempt to obtain redress by a negotiation will fail altogether; and I wait with impatience both the decision of that body and your instructions in that respect.

Mr. Pasquier has also informed me that he had referred to the Minister of Justice my remonstrance of the 15th of March last against the decision of the council of state in the case of the Dolly and Telegraph. This is a very unusual course in an affair where our rights are founded on a positive agreement between the two countries, an agreement entirely political, and in which the Minister of Foreign Affairs was the organ of the French government.

I have the honor to enclose a letter from the King of Würtemberg announcing his marriage, and which was delivered to me by his minister at this Court.

I have the honor, &c.

MONROE TO GALLATIN.

WASHINGTON, May 26, 1820.

DEAR SIR,—I have to apologize for not having written to you before, but I have presumed that you would have seen that the official pressure on me was so great as to leave me no time for other duties, however interesting; especially as, until the last

winter, my health had not been fully restored since the fatigues of the last war. At present I am much blessed in that respect, and as I shall dispose of the interval between this and the next session in Loudoun and Albemarle, Virginia, where I have farms, I hope that Mrs. Monroe, as well as I, shall return here in as good health as we ever enjoyed.

Mr. de Neuville has acquitted himself here entirely to the satisfaction of the government and of the members of Congress. His deportment, and that of his lady, has been conciliatory, and in our concerns with his country, and also with Spain, in which he has taken a part, we have had much reason to be satisfied. He takes with him, therefore, the good wishes for his welfare and hers, of all, which you will, we presume, find a suitable occasion to intimate in proper terms to his government.

Our affairs with Spain have, as you will see by the public documents, taken a strange direction. The refusal to ratify a second treaty within the time stipulated, and then to send a minister to demand new conditions, the sanction of which was to depend on the government of Madrid, without his becoming responsible for it, was an occurrence with which I have known no parallel. Considering, however, the condition of Spain at this time, and of almost all Europe, and the jealousy which prevails generally of the ambitious views of the United States, it was thought most advisable to leave the affair where it was, and thereby give a new proof of moderation, which could not fail to refute such unfounded calumnies. We hope that the business will be settled in the course of the summer, since otherwise it seems probable that it will be taken up at the next session in a very different spirit. Indeed, so strong is the inclination in some to seize on Texas particularly, that I should not be surprised if we should be compelled to act on that principle, and without a treaty, if that province at least, as well as Florida, should be taken possession of. Internal considerations, of which the discussion of the late Missouri question will have given you a just view, are favorable to moderate pretensions on our part. With me they have much weight, as I am persuaded they have with many others; but still, so seducing is the passion for extending our territory, that if compelled to take our own redress it

is quite uncertain within what limit it will be confined. Your attention to this object has been useful, the continuance of which has been among the interesting motives which induce a desire that you should remain at your present post the present year.

With respect to the colonies, the object has been to throw into their scale, in a moral sense, the weight of the United States, without so deep a compromitment as to make us a party to the contest. All Europe must expect that the citizens of the United States wish success to the colonies, and all that they can claim, even Spain herself, is that we will maintain an impartial neutrality between the parties. By taking this ground openly and frankly, we acquit ourselves to our own consciences; we accommodate with the feelings of our constituents; we render to the colonies all the aid that we can render them, for I am satisfied that had we even joined them in the war, we should have done them more harm than good, as we might have drawn all Europe on them, not to speak of the injury we should have done to ourselves. By our present attitude we have given to other powers an example of forbearance, and retained the right to communicate with them as friends on that interesting subject,—a right which we should have lost by a change of attitude. A mere recognition, as our ports are open to them as freely as to Spain and other powers, would be a dead letter, while it would have been, especially in the earlier stages, exposed to all the objections stated. In the mean time, the subject not being fully understood, a disposition has been manifested, imputable in a great measure to the conduct of Spain in our concerns, that we should go further in favor of the colonies, with which it may be proper to comply at no distant day. You will perceive that as the recognition, whenever it may be made, will be nothing more than what I have above stated, as we still shall maintain an impartial neutrality, no power will have a right to complain of it. Indeed, it may be fairly presumed that they will all be prepared for it. I am satisfied that you have fully and distinctly understood the views of the Administration in all these circumstances; I mention them, however, that you may prepare all with whom you communicate for such a result, at any time whenever it may take place.

Our claims on France will also receive your attention, in which I am satisfied that you will accomplish all that may be practicable.

To these interesting objects is added the very important duty of making another attempt to form a commercial treaty with France, to which it is hoped that the late Act of Congress will afford you much aid. Your experience and knowledge of the subject inspire us with great confidence that your exertions will not be fruitless in securing what it will be proper to obtain for your own country, or in prevailing on the French government to enter willingly into such arrangements as the interest of France may justify.

Mrs. Monroe and my daughter desire their best regards to Mrs. Gallatin, and I beg you to be assured of my great respect and sincere regard.

CRAWFORD TO GALLATIN.

WASHINGTON, 27th May, 1820.

MY DEAR SIR,—At the close of a session of Congress, of unusual length and interest, the attention of the heads of Department is not less taxed than during the continuance of the session. I regret that the departure of Mr. de Neuville occurs before that press has ceased.

It is probable he will be consulted, if not employed, in the discussions which the late law increasing the tonnage duty upon French vessels will probably excite. He is an honest man, devoted to the interests of France, and disposed at the same time to unite the two countries by acts of reciprocal kindness. He has, however, some ideas which are scarcely intelligible on the Louisiana treaty, and, what is unfortunate in this particular instance, he is not apt at seizing upon distinctions or feeling the force of discriminations presented by others. He is, like all Frenchmen, impetuous and impatient of contradiction. You will have, therefore, a most delicate part to perform to lead him to correct conclusions.

Indeed, from conversations I have had with him, I hardly

expect that anything can be done if you consider the Act of the 3d of March, 1815, as forming the basis of the convention which is to be made. England, perhaps, finds some indemnity for the injury which she sustains in her navigating interest, under the commercial convention, from the balance of trade which constantly is in her favor. The exclusion which she has enjoyed in the intercourse between the United States and her West India colonies has no doubt had a tendency to reconcile her to the exclusion which is gradually but certainly operating to the exclusion of her shipping in the direct trade between the two countries. Motives of this kind will not operate upon the councils of France, to reconcile them to the monopoly which American vessels will obtain in the direct trade between the two countries, if placed upon a footing with French vessels in the ports of France. The balance of trade is in favor of the United States. With equal advantages, the direct commerce between the two countries will be as exclusively carried on by American vessels as if the entrance of French vessels into the ports of the United States were prohibited by law. Other considerations must, therefore, be sought to induce France to assent to an equalization of duties on French and American navigation. Where are they to be found?

The question is not easily answered. De Neuville, and perhaps his government, think that rights under the Louisiana convention still exist in favor of French commerce. There is plausibility at least in the claim. The claim of Beaumarchais has been espoused by the government with more than usual interest. The complaint of the desertion of French sailors in our ports has been a source of much uneasiness on the part of Mr. de Neuville. All these claims and grounds of complaint will, without doubt, be embodied and arranged in the most formidable order by Mr. de Neuville, and insisted upon with earnestness. From them, however, no danger is to be apprehended, provided you do not consider yourself bound down by the Act of the 3d of March, 1815. I have suggested to the President the propriety, even the necessity, of giving particular instructions on this subject, and authorizing the most unlimited discretion, unless a special decision should be made by the

Cabinet. He is extremely anxious, on account of the situation of Mrs. Monroe, to get away. No deliberation, therefore, will take place. He requested me to call upon Mr. Adams and urge my views upon the subject; but I declined it, on the ground that the question was one of extreme delicacy, and ought not to be touched but in the most general way, unless in consequence of a full investigation by the Administration.

De Neuville has much at heart an arrangement by which sailors will be given up to French vessels in the United States when they desert from them.

I regret that I have not time to give you all the information which I have collected of his views. I shall confer with Mr. Adams hereafter, and urge him to be explicit in his communications with you on this subject. I am confident that the chance of success depends upon the exercise of a discretion which will rest wholly upon your shoulders. Whether it is proper for you to incur this responsibility you will be able to determine when the extent of it will be ascertained.

You have been requested to remain another year wholly on this account. I shall urge the President again to examine the subject and prescribe the limits within which your discretion is to be exercised. I am fearful that nothing will be done, from the extreme difficulty there is in fixing any boundary other than that which is prescribed by the Act of the 3d of March, 1815, and exemplified by the British convention.

For the political incidents of the session which you will not be able to gather from the papers I must refer to Mr. Erving, to whom I have written at length upon such topics. I believe I have not requested him to communicate the contents to you, but he will, I presume, do so, especially upon an intimation from you to that effect.

Mr. Macon is in good health, but greatly distressed by the effects of the discussion of the Missouri question. He is a little querulous, and disposed, at some moments, to view things through a sombre medium.

Indeed, I am fearful that we have some cause for apprehending that the sentiments of good will which have hitherto predominated are in some degree sapped by the dissensions of the

last session. Time, however, with its usual effects, will, I hope, heal the disorders which have been diffused into the body politic by the baneful discussion which has agitated the Union.

Present my respects [to] the Marquis Barbé-Marbois, his daughter and son-in-law, and to the Duke of Plaisance the elder.

To Mrs. Gallatin and to the other members of your family remember me most affectionately.

I remain, my dear sir, your most sincere and respectful friend and humble servant.

P.S.—Mr. de Neuville is waiting. I have not time to read over this hasty sketch; pardon, therefore, any errors which may be found in it.

GALLATIN TO J. Q. ADAMS.

No. 147.

PARIS, June 9, 1820.

SIR,—I had the honor to receive your letter of the 7th of March, signifying to me the wish of the President that I might remain in Europe for the present. I will use my best endeavors to fulfil his views, and wait with anxiety for the instructions respecting our commercial relations with France. The hope of succeeding in making a satisfactory arrangement will, however, be but slender if nothing shall have been done by Congress on that subject. Nothing has taken place here in that respect since the date of my last despatch.

Mr. Pasquier told me, and I felt it was true, that during the present crisis of affairs in this country it was impossible for the Ministers to attend to any subject of secondary importance. There is now a prospect that this crisis will terminate in a manner less dangerous to the tranquillity of France than had been apprehended.

The renewal of the laws of exception, and the attempt to change the law of elections, created a general disaffection. After a long and most animated discussion, the leading principle of the plan proposed by government, and by which the right of electing was

in reality placed exclusively in the hands of the 18,000 individuals who pay the highest taxes, was adopted in the Chamber of Deputies by a majority of five votes. The feeling of the people on the occasion burst out with much warmth. For three successive days one of the members of the minority had been carried home in triumph, and accompanied by cries of Vive la Charte! On the succeeding day (the 3d instant) a number of young royalists, principally body-guards, attacked those who uttered those cries and who refused to join in that of Vive le Roi; and they also insulted several of the deputies belonging to the minority as they were leaving the house. The ensuing day, being Sunday and that of the Fête-Dieu, was quiet; the body-guards were put under arrest; troops were stationed in several places on the Monday, and a police order was issued forbidding all collections of people. This did not prevent a vast number assembling and parading through the streets with cries of Vive la Charte! It is probable that many of them were actuated only by resentment against the body-guards. Meeting with no opponents, they committed no acts of violence, but refused to disperse until compelled by the cavalry, and several were wounded in the affray. It is not impossible that malcontents mixed with the groups and attempted to create more serious disturbances. It is certain that some half-pay officers were amongst them, and a number even of general officers have been arrested. The collections of people were not dispersed till late in the night, and some, though less numerous, took place the ensuing day.

These tumults, and the well-known state of the public mind here and in many other places, created great alarm, and led to serious reflections. The most moderate men on both sides, fearing the consequences and supported by the Ministers, have made a compromise. The projet of law seems to be abandoned, and, instead of this, a plan has been proposed which, preserving the old mode of election with respect to the present members of the chamber (amounting to 258), adds 172 new ones to be elected by the 23,000 electors who pay the highest taxes. It is believed that this amendment, which has the approbation of the King, though opposed by some violent Ultras and by all the warmest Liberals, will be adopted by a large majority. It is impossible to conjec-

ture what effect this change in the law of elections may hereafter produce, and how far it will conciliate or destroy public confidence; but peace and order will at least be preserved for the present.

In Spain, the elections go on regularly, and the constituted authorities seem to prevail against both those who would oppose the revolution and the leaders of the dangerous club known by the name of the Café Lorenzini. Mr. Forsyth seems still to think that the appearances are in favor of the ratification of our treaty by the cortes.

Being yet without instructions on the subject of our claim for indemnity, I acquiesced in Mr. Parish's wish to lay the Antwerp cases before the Department of Foreign Affairs, and have the honor to enclose the copy of a letter which I wrote to Mr. Pasquier on that subject.[1]

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 149.

PARIS, 5th July, 1820.

SIR,—I have not yet received any communication from you since your letter of the 7th of March; but the last arrivals brought accounts from New York to the 1st of June, and amongst them the Act of Congress imposing a duty of 18 dollars per ton on French vessels. It is much to be regretted that the law, instead of only equalizing the discriminating duties, should have made a difference as great against French vessels as it was before in their favor. Had that course been pursued, there would have been some complaints, but no pretence for retaliation, and their own interest would, after a short time, have induced the French merchants themselves to unite in the wish of seeing all discriminating duties repealed on both sides. But their clamors against the measure which has been adopted have

[1] This letter will be found in American State Papers, vol. v. (Foreign Relations) p. 299.

been successful because they might with truth say that it stops entirely their maritime expeditions to the United States, and also that the notice was so short that voyages already undertaken would be ruinous to the parties. Mr. Pasquier gave me to understand that our act had the appearance of a wish to force the French government to accept the proposals we had made, and he believed it would be necessary for France to lay a retaliating duty before she could treat with us. Whether he meant one that would only re-establish the equilibrium or go beyond that I could not ascertain, and perhaps he has not determined. I must add that I believe him and government in general to be in favor of the mutual repeal of all the discriminating duties, and that the obstacles to an arrangement are entirely on the part of the merchants and of the chambers of commerce.

You may easily conceive that, even if the plan should only be to lay duties which in the whole should be equivalent to ours, there will be a vast difference of opinion respecting the amount. The greatest difficulty consists in valuing our old discriminating duty of 10 per cent. on the ordinary duties on importations; and I was particularly anxious that it should have been repealed at the same time a new tonnage duty was laid, because the French always insist that it is nearly equal to their own discriminating duties, and it is difficult to prove the contrary in an unanswerable manner, there being no common standard by which to compare their respective values.

I have, however, undertaken the task, and prepared a long note for Mr. Pasquier, which, not being yet quite finished, cannot be communicated by this opportunity. I will only state that my final conclusion is that the difference between the discriminating duties of the two countries was about 46 francs per ton against us before the last Act of Congress, and it is now about 45 francs against France. As I have not yet any instructions, nor any official account of the Act, it is my intention to send this paper as an informal note, which will commit neither my government nor myself.

It is possible that some proposals may be made by the French government, such as a mutual surrender of deserters, on which

it will be necessary that I should apply for instructions, and that the negotiation may for that reason, and on account of the obstacles thrown in by the merchants, be protracted longer than had been contemplated. This contingency induces me to request that I may be supplied with documents the want of which I have felt whilst preparing my note for Mr. Pasquier. Those I principally wish are,—

1st. The principal annual statements of the importations of goods, wares, and merchandise in American and foreign vessels for the years ending on the 30th September, 1817 and 1818.

2dly. A similar account for the year ending on the 30th September, 1819. This is not printed, but may be prepared by the Register.

3dly. Statements of the exports, both foreign and domestic, to France and to its dependencies for the years ending on the 30th September, 1817, 1818, and 1819, designating the quantity and value of each species, and those to France in Europe from those to her colonies. These are never printed, but may be transcribed from books kept in the Register's office.

4thly. A statement of the American and French tonnage, respectively, employed for one year in the commerce with France (not with her colonies), including the repeated voyages. Whether this last document can be made out from the returns to his office the Register will be able to say.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 151.

PARIS, 11th July, 1820.

SIR,—I have the honor to enclose copies of my letters and inofficial notes to Mr. Pasquier of the 7th and 8th instants, and of his answer. Late in the evening of the 8th I received your despatch No. 20, of May 26, brought by Mr. Hyde de Neuville, and was glad that I had discussed the subject in those inofficial notes, as your letter is silent on the two most difficult points to explain,—the shortness of the time given, and the

amount of the duty, which is certainly tantamount to an exclusion of the French vessels.

I have reason to believe that it is intended, immediately after the adjournment of the Chambers, to lay a retaliating extra duty on the tonnage of our vessels. This will be done by an ordinance of the King, as he has a right during the recess to modify custom-house duties. Whether government will be disposed to enter immediately in a negotiation with me I cannot say. They were already irritated, and will be more so with those sentences in my correspondence in which I suggest that they will do nothing unless compelled by our acts. Although from the general tenor of my letters to you it is clear that I thought the Ministry here well disposed, and that it was upon the commercial interest that our acts must produce such an effect as to induce them to withdraw their opposition to an arrangement, yet I fear that the expressions in question will wound the pride of government, and I wish they had been omitted in the publication.

I will wait with anxiety for your instructions on the subject of a consular convention, of the restoration of deserters, and of the other subjects to which you allude as coming within the scope of a commercial treaty. Those I have at present do not go beyond the proposals already made to the French government by my letter of 25th October last to Marquis Dessolle.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 154.

PARIS, 27th July, 1820.

SIR,—I had a long conference with Mr. Pasquier on the 24th instant, and saw him again to-day. The French government has determined to retaliate and to lay a countervailing duty on American tonnage before they will attempt to settle the differences by an amicable arrangement. All the arguments I could use against that course were unavailing. I have not time to write at large by this opportunity (the Nimrod) all that passed on

the occasion. But it is necessary to state the principal reason assigned by this government for that measure.

The duty laid by Congress was so high that it was tantamount to a total exclusion of the French vessels from our ports. There were but two modes by which this could be avoided,—a total abrogation on the part of France of her discriminating duties so far as they applied to American vessels, or a diplomatic arrangement. The first mode was considered by this government as derogatory, as it did not leave them even the option of equalizing the duties without repealing them altogether, besides which they were not disposed to consent to a perfect reciprocity which they thought would give us the whole navigation between the two countries. At all events, they had other conditions to offer connected with the subject of difference; an arrangement could only be the result of discussion and be effected by a convention. Such convention or treaty could be carried into effect only after it had been ratified, and therefore only after the meeting of Congress. In the mean while the French vessels would be altogether excluded from any participation in the trade, and ours be the sole carriers. It was impossible that France could submit to that state of things, and she was under the necessity of retaliating and of adopting measures which should have the effect of excluding our vessels in the same manner as theirs were.

An ordinance will be issued on that principle to-morrow or the next day. It substitutes to the existing tonnage duty on American vessels one of ninety-nine francs per ton, which is to take effect from the respective days on which it will reach the several ports. It is not to affect vessels hereafter coming in ballast, or which may have sailed with cargoes from the United States prior to the 15th of June.

The first exception, which will allow our vessels, after having landed their cargoes in England or Holland, to come in French ports, is, as you will perceive, intended to facilitate the exportation of French produce and manufactures.

American produce cannot now, with the new tonnage duties, be imported directly from the United States either in French or in American vessels. It may be imported as heretofore, either directly in vessels belonging to other nations, or [in]directly

from foreign ports in French or foreign vessels other than American. Upland cotton imported directly from the United States in British, Dutch, or other foreign vessels would be liable to the same duty of 38½ francs per 100 kilogrammes which has been heretofore levied on that article when imported in American vessels. If imported from England or the Netherlands in French vessels, the duty would be 33 francs.

Neither of these modes suits France, and another ordinance will be issued, giving during the ten ensuing months a premium of ten francs per 100 kilogrammes of cotton, the produce of either North or South America, imported in French vessels from any American port not belonging to the United States, which will reduce to 12 francs the duty on upland cotton of the United States imported in that manner. They expect that on account of that difference our Georgia cotton will be sent to St. Augustine, and that of Louisiana to Cuba, and that French vessels will carry the whole from those Spanish ports to France. The object is to make some port in America the entrepôt. Our cotton will in that case be imported altogether in French vessels, whilst either of the other modes excludes them from any share in the carrying trade.

This government continues in the mean while to profess a disposition of arranging amicably these difficulties, and Mr. Pasquier has promised to make in a few days, in answer to my letter of the 25th of October last, specific propositions on the subject of the commercial relations between the two countries. This will enable us to judge whether there is any prospect of making a satisfactory arrangement.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 155.

PARIS, 31st July, 1820.

SIR,—I had the honor to write you a few lines on the 27th instant, and hope that a copy of the King's ordonnance which I sent the ensuing day will reach you at the same time.

I now proceed to state the substance of the conference I had on the 24th instant with Mr. Pasquier, and at which the Duke de Richelieu was present part of the time.

Mr. Pasquier stated that it had been found absolutely necessary to lay a countervailing duty on American vessels, and communicated the outlines of an ordinance to that effect, which it was intended to issue immediately. The plan proposed was to substitute, from the date of the ordinance, to the existing tonnage duty one of 99 francs per ton; to exempt from it vessels arriving in ballast, and to require only a bond for the payment of the new duty from vessels coming with cargoes which should have sailed from the United States before the ordinance was known there; that bond to be enforced only in case the new tonnage duty of the United States should not be refunded to those French vessels which had sailed from the United States without knowledge of the Act of Congress laying that duty. It was also intended to give a premium of ten francs per 100 kilogrammes of cotton imported in French vessels from any port in America not within the bounds of the United States.

The discussion turned on three points: (1) the alleged necessity to lay an extraordinary duty before an attempt was made to arrange the existing difficulties; (2) the amount of the intended duty, and the time when it should begin to take place; (3) and the practicability of making an arrangement.

On the first point, Mr. Pasquier said that notwithstanding the explanations given here and at Washington respecting the motives which had actuated the government of the United States, still the Act of Congress had in itself an hostile character. The amount of the duty was so exorbitant as to be tantamount to a total exclusion of French vessels; owners of vessels which had sailed without knowledge or any expectation of that measure, and often with previous contracts at a specific price for the freight of cotton, would incur a loss nearly equal to the value of the vessel; the measure was adopted without waiting the result of pending negotiations, and appeared to be intended to compel France to make an arrangement on the terms proposed by the United States and on no other. Under these circumstances, the French government, in justice to its subjects and in

order to support its own dignity, was bound to retaliate, and to replace the duties in the same relative situation in which they stood when the negotiations were opened: it was only after this was done that the attempt to accommodate the differences by an amicable arrangement could be renewed.

I observed, in reply, that the inequality in the discriminating duties which now existed against French vessels in consequence of the late Act of Congress was less than that which had for the four preceding years existed against American vessels in consequence of the law of France of April, 1816; that our Act was therefore no more hostile than that law; and that, since the United States had not thought it derogatory to open negotiations on that subject whilst the difference in the relative duties was so unfavorable to them, it was not perceived on what grounds France could refuse to treat until not only an equality of duties had been established, but the inequality in her favor had been restored. There was not, I added, any just reason to complain of the Act of Congress having passed at the time it did. It had been fairly stated in October last to the French government that, if no modification of their duties took place, the United States would be compelled to protect their navigation by countervailing duties on the tonnage of French vessels or on merchandise imported therein. Specific proposals were at the same time made, which, in the view taken of the subject by the United States, might be the basis of an arrangement. To this no other answer had been received but one expressing in general terms the disposition of the French government to settle amicably all the questions connected with the commercial relations of the two countries. To this day, after nine months had elapsed since the date of our propositions, no specific proposals of any kind had been made by France, and we were perfectly ignorant of the terms on which she was disposed to make an arrangement. In the mean while, the navigation of the United States was daily sinking under the weight of the French discriminating duties. If their vessels had continued in the trade with France; if, as was urged in order to show that the inequality could not be such as we represented it to be, one-half of the vessels employed between the two coun-

tries were still American, this was an extraordinary exertion, which could not be persevered in any longer. Vessels had been continued so long in an unprofitable trade because they were already thus employed, and in the daily hope of a speedy change. But they had been barely employed, and without profit to the owners. These had been compelled to take freight at the rate of one cent and a half per pound of cotton, while the French vessels obtained two cents and three-quarters. The trade had been ruinous to the American and extremely profitable to the French ship-owners. During the last eight months, from the time when our proposals were made, to the 1st of July of this year, the extra duty paid by us in France on our own produce brought in our vessels, beyond what would have been paid on the same articles if imported in French vessels, had amounted to more than one million of francs, and, including our importations of foreign produce, was equivalent to a duty of 70 francs per ton. We were as yet in every respect the injured party. The extra duty paid by us on American produce since the French law of 1816 exceeded six millions of francs. Whilst this money filled the French treasury, it served at the same time as a premium to the French navigation; it was a tribute levied on us for that double purpose, and to which it was impossible that we could have submitted any longer.

With respect to the day when the Act of Congress took effect, I said that I regretted that a longer time had not been allowed, and repeated the explanations already given on the presumed cause of that circumstance. But I insisted that France had no right to complain of it, since it was an established principle with her that her custom-house duties should be enforced from the day on which the law was promulgated. Thus, the discriminating duty on sugar imported from foreign countries in foreign vessels had, by a law passed on the 7th of June last, been increased from 11 to 16½ francs per 100 kilogrammes; and the importation of nankeens in foreign vessels had been altogether prohibited by the same law. Both provisions took effect from the moment the law was promulgated, and had an injurious retrospective effect on the American commerce. Sugar had been one of the principal articles of importation from the United

States to France. An unexpected additional duty of about half a cent per pound was imposed, without any previous notice, on all the sugar brought in American vessels that had arrived subsequent to the 7th of June; and with respect to nankeens, exclusively of other shipments, an American vessel had, to my knowledge, been ordered last autumn to Canton for the express purpose of bringing 220,000 pieces of that article to France, in conformity to the then existing laws; she was daily expected; her voyage was totally ruined in consequence of that prohibition without notice; and the loss in that case alone would probably be nearly as great as the whole amount which, by virtue of the Act of Congress, might be demanded from French vessels which had sailed from France without knowledge of that Act.

How far these observations may have satisfied this government that our Act was perfectly justifiable, I cannot say. But they certainly made no impression with respect to the presumed necessity of adopting here measures of retaliation. Mr. Pasquier insisted that there was an intrinsic difference between a tonnage duty and a discriminating duty on merchandise; he said that, at least in the case where there was no previous notice, the tonnage duty fell exclusively on the ship-owner, and in the present instance was altogether exorbitant when compared with the value of the freight or even of the vessel; whilst the duty on the merchandise, if it did not fall on the consumer, was paid by the owner of the article, and bore some proportion to its value,—a distinction which, if solid with respect to individuals, makes, as you will at once perceive, no difference whatever in a national point of view. But Mr. Pasquier seemed to rely chiefly on the fact that, notwithstanding the discriminating duties of France, we still participated largely in the carrying trade, whilst it was notorious that French vessels would now be totally excluded in consequence of the Act of Congress. Supposing an arrangement to be practicable, a convention could not take effect till after it had been ratified; that is to say, till after the meeting of Congress. It was impossible that France should in the mean while acquiesce in the exclusion of her vessels, and permit ours to engross the whole carrying trade between the two countries. It was therefore absolutely necessary that she should impose a

countervailing duty, which should lay American under the same disadvantage as French vessels.

Permit me here to observe that it was with a view to this difficulty that I had, in my despatch to you of the 15th of January last, taken the liberty to suggest the propriety of inserting in the Act of Congress a clause which should give a contingent power to suspend the operation of the Act in case an arrangement should take place. The omission of this provision is, however, much less to be regretted than that the goodness of our cause should have been in any degree impaired by the high rate of duty adopted in the Act of Congress, and by the short time allowed before it took effect. As reciprocity alone was asked, and indeed was offered on the face of the law, I cannot understand, and your despatch does not explain, the reason why it was deemed proper to establish such an inequality. It is difficult to find a common measure by which to compare the value of our old discriminating duty with those of France; and on that account it would have been desirable to have repealed or suspended it when the new tonnage duty was imposed. But there is no calculation by which the discriminating duty of France can be estimated at more than 12 or 13 dollars per ton. A tonnage duty to that amount would have countervailed the French duties and restored the equality, provided our old discriminating duty had been at the same time repealed. Instead of which, this had been preserved and a new duty laid of 17 dollars per ton. Had the Act gone no farther than to establish a fair equality, there would have been no pretence here for retaliation. Had a more distant day been fixed for the Act going into effect, the 1st of October, for instance, instead of the 1st of July, not only the duty would have fallen on no vessel which had not due notice, but it would have allowed sufficient time here to negotiate, and, if at all practicable, to conclude an arrangement.

Finding that the determination of this government to lay immediately a retaliating duty which should exclude our vessels was irrevocably taken, I observed that the rate of duty beyond what was necessary for that purpose was a question not otherwise important than as it might evince the disposition of France with respect to an arrangement. If it was thought that to lay a

duty which would only restore the equality had the appearance of acquiescing in the principle of our proposals, there could be no inconvenience in lessening at least the inequality. To make the new tonnage duty equal to ours, to replace the duties precisely on the same footing on which they stood before the late Act of Congress, showed a tenacity on the part of this government which indicated no intention to settle difficulties by an amicable arrangement. But the rate of duty contemplated by the ordinance went still further: our duty of 18 dollars per ton of our measure was less than 16 dollars and half on the ton, French measure; and a duty of 99 francs, which was to be levied according to the French measurement, was in reality at the rate of about 107 francs, or more than 20 dollars, per ton, measure of the United States.

With respect to the question of time, I asked that six weeks should be given from the date of the ordinance before it went into operation. That time was equal to that which had intervened between the date of the Act of Congress and the day on which it was in force. I observed that the ostensible object on the part of France was to prevent our vessels from bringing American produce so long as our duty had the same effect on French vessels, and that as all those which had arrived in the United States prior to the 1st of July were not affected by the new Act, it followed, allowing a month for obtaining and taking in a cargo and a month for the return voyage, that all French vessels arriving in France from the United States before the 1st of September would have paid no extra duty in America. American vessels arriving within the same time ought, therefore, to be admitted without paying the new French duty. I also objected strongly to the clause by which the bond taken from certain American vessels was to be enforced in case the government of the United States did not refund the duties incurred by French vessels which had sailed from France without knowledge of the new Act. It was an indirect charge of injustice against the United States; and if France thought she had any just cause of complaint in that respect, the proper course was to make reclamations, and not to recur to a species of reprisals.

The ordinance has been altered in this last respect; but my

other observations have produced no effect. On the question of time, it was insisted that from the moment our law was generally known in the United States our own ship-owners must have, and in fact had, expected reprisals; for every American vessel that had since arrived had, before entering a French port, held a previous communication with persons on shore, in order to ascertain whether a countervailing duty had not been laid.

The duty, it was said, could be laid on tonnage only according to the French mode of measurement; but I understand that an instruction might be given to take, in valuing the duty, the difference between the American and French measures into consideration. Allowing that this government had sufficient motives for imposing a countervailing duty, there was certainly no necessity for making it so exorbitant as to create a difference of more than 70 francs per ton in favor of French vessels. The fact is that the ship-owners of Havre called for a tonnage duty of 100 francs per ton the very day on which the news of the Act of Congress reached that port; that the council of commerce of Paris recommended that measure as well as the premium of ten francs on American cotton imported in French vessels from America, and that this government has acted in conformity with that recommendation. Several of the members of that council own vessels employed in the trade with the United States. Our proposals of October last had been referred to that body; it was their advice which prevented government from acceding to our proposition, and, indeed, from making any to us; their pride and personal interest are both arrayed against us; and if the Ministry continues to listen to them, there is no prospect at this time of making an arrangement on reasonable terms. The merchants will not yield of their own accord until they shall have found by experience that the object they have in view is unattainable. They think that the premium granted by the late ordinance will make the West India and Florida ports places of deposit for our cotton, and thereby secure to them the carrying trade of that article. I told Mr. Pasquier that if we did not make an arrangement before the meeting of Congress the United States could, without the least inconvenience to themselves, prohibit altogether the exportation of our cotton

to the West Indies, to Florida, or to any other place where it was not an object of consumption; that they could with the same facility prohibit its exportation to France in any vessels other than those of France and of America; and that these measures would make England, the Netherlands, or some other European country, the only places of deposit, and give us the whole carrying trade.

I took this opportunity of stating the provisions of the Act of Congress prohibiting the intercourse with the British West Indies and American colonies. I explained the circumstances which had led to that measure, and observed that the object was precisely the same for which we now contended with France. In both cases we insisted that commerce, as far as it was allowed between the United States and a foreign country, should be carried on in vessels of the two countries on principles of perfect reciprocity. Great Britain would not allow the commerce between her West India colonies and the United States to be carried on in American vessels. We had prohibited it in British vessels. She had attempted, in order to engross the greater part of the carrying trade, to make Bermuda and Halifax places of deposit; we had then prohibited the intercourse in any vessels whatever with those colonies. There has been no hesitation on the part of the United States in adopting those measures, although the British West Indies consumed our own products to an amount nearly equal in value to those we exported to France,—about 7 millions of dollars annually,—and although a great portion of the products consumed in those islands consisted of lumber, provisions, and other articles for which we could with difficulty find another market, which was not at all the case with cotton and tobacco, the principal articles of our exports to France.

I was induced to make these observations not only in order to show that we had acted with at least as much vigor towards England as towards France, but also to impress the government with a sense of the importance we attached to the object, and of the improbability that we would yield the point. From some expressions used during the conference, and others that had fallen from Mr. de Neuville, I understood that there was some

expectation that divisions among ourselves would compel us to abandon the measures necessary to enforce our right to a fair reciprocity. The interest of the Southern planters was alluded to as opposed to any impediment thrown in the way of the exportation of their produce. It is, perhaps, natural enough that private interests should be supposed here to have a very powerful influence everywhere; but it is extraordinary that they should not perceive that the discriminating duties of France, by enhancing the price of freight, are as injurious to the grower of American produce as to the American ship-owner. Under the existing system, the planter or exporter pays for the freight on cotton exported in French vessels two cents and three-quarters per pound, and on that which is exported in American vessels one and a half cent freight and one cent and three-fifths duty. If the discriminating duties were abrogated, freight would be two cents per pound; the planter would pay less, and the American ship-owner would be better paid. The interest of our agriculture requires that there should be the freest competition of vessels of all nations for the exportation of our produce; a competition which cannot be better encouraged than by the mutual repeal of all the duties which fall on vessels either foreign or domestic. The temporary sacrifices which may be necessary to obtain that result will equally fall on the ship-owners and on the growers of produce. It will belong to the wisdom of Congress to decide to what extent it is proper, considering the value of the object in view, to carry the temporary restrictive measures intended ultimately to secure it.

The terms on which a practicable arrangement could be effected were not immediately connected with the subject-matter of the conference. I thought it, however, proper to make some observations on the subject. I stated that the principle of perfect reciprocity for which we contended was founded in justice; that it was impossible that it should not ultimately prevail, since, the power to lay duties being the same on both sides, no nation could prevent her regulations for the protection of her navigation from being met by countervailing measures of a similar nature; that it could not be expected that the United States would subscribe to a treaty by which their navigation should be subject to higher

duties in France than those to which French vessels would be liable in America; and that supposing even that peculiar circumstances might render it eligible to make such an arrangement with that country, an insuperable objection would be found in the danger to which we would thereby expose ourselves of being liable to similar demands from all the other great maritime nations with which we had succeeded in making arrangements founded on a mutual abrogation of every species of discriminating duties. I added that the articles of the produce or fabrics of the United States and France annually exchanged by the commerce between the two countries amounted to about seventy millions of francs, whilst the freight was not worth more than four millions; and that, taking in consideration the nature of the articles, not only the commerce was of infinitely more importance to France than the freight, but that it was much more her interest that the expenses of transportation should be reduced to the lowest rate, than that her vessels should participate in it if they could not compete with ours on equal terms. Finally, I observed that we had the same superiority in that respect over England as over France; that the only means we had employed to obtain it had been to create the most unlimited competition amongst our own ship-owners by not intermeddling with their concerns and not embarrassing them with any vexatious regulations; that every other nation might obtain an equality with us by adopting the same means; that France had over us the advantage of greater capital, cheaper vessels, and lower wages; and that it was in their power at any time to navigate as cheap as ourselves, so far at least as respected the navigation between the United States and France, since all that was requisite for that purpose was more economy, attention, and activity on the part of the ship-owners (armateurs), and a repeal of all those regulations which restrained them in the choice of their captains and seamen and in the manner of equipping their vessels.

It was uniformly answered that in point of fact we did navigate cheaper than the French; that it was the general opinion of those concerned in the trade that a compliance with our proposal would be tantamount to a total exclusion of the French vessels from the carrying trade between the two countries; and that they

considered it a matter of right that both nations should equally participate in the freight of any commerce which might exist between them.

An allusion was made in the course of the conference to the claim of the French to be treated without any equivalent at New Orleans, in the same manner as the British now are. I did not know of this difficulty till it was occasionally mentioned in conversation by Mr. Pasquier. The pretension appears to me altogether untenable; but I would have wished to know what answer has been given at Washington to the reclamations of the French minister, and what are the President's intentions on that subject.

I must not omit to state that it had been first intended to extend the premium of ten francs per 100 kilogrammes to cotton imported directly from the United States. This was altered not from any hostile spirit, but on my observing that that premium, so long as it should continue, would make the inequality in the respective discriminating duties still greater, and thereby increase the difficulties of an amicable arrangement.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 156.

PARIS, 2d August, 1820.

SIR,—I have the honor to enclose a letter I received yesterday from Mr. Pasquier.

You will perceive that to our proposal of a mutual repeal of all the discriminating duties, he offers to substitute a reduction of duties so modified as to give an equal chance to both nations to participate in the carrying trade. He means by this that those circumstances which enable us to navigate on cheaper terms than the French should be taken in consideration, and that we should consent to leave such difference in the discriminating duties in favor of France as would compensate those advantages and enable the French vessels to preserve one-half of the carrying trade.

I will take time to consider the subject before I answer Mr. Pasquier. There is much intrinsic difficulty both in fixing a proper rate of duties and in making an agreement founded on that basis which should preserve the appearance of reciprocity. There is great inconvenience in departing from the basis adopted in our treaties and arrangements with other nations. I am without instructions on that particular point. On the other hand, I feel the importance of arranging amicably this affair with France, and the difficulties her government has to encounter from their shipping interest. I think that, at all events, if an arrangement is made on the basis proposed, it must be for a very short period, or made revocable at the will of either party on giving due notice to the other. Perhaps it will be better to refer the whole subject to you, with a view to a negotiation at Washington. Mr. Pasquier has avoided making any specific proposal, and I will not decide until I have at least tried to ascertain whether he intends to offer such reduction as it may be worth while to consider.

I wait your instructions on the subject of the surrender of deserters. I have never received any information from your Department on the difficulties connected with the 8th Article of the Louisiana convention.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 158.

PARIS, August 7, 1820.

SIR,—I had the honor to receive your despatch No. 19, enclosing a copy of General Vives's letter of 11th May last to you, in which he denies having told me or Baron Pasquier that he could, in case of an arrangement, consent that the United States should take immediate possession of Florida without waiting for the ratification of the treaty.

The same information having reached me through the medium of the American newspapers several days prior to the receipt of

your despatch, I had an immediate communication with Mr. Pasquier, and gave him a copy of my letter to you of the 15th of February. After having read it, he told me that I had been mistaken on one point, as his information on the subject in question was derived not from General Vives, but from the Duke of Fernan-Nuñez, then Spanish ambassador at this Court; a circumstance which, had I at the time been aware of it, would have corroborated instead of lessening my impression of the intentions of the Spanish government.

Whatever fell from Mr. Vives was in answer to the doubts I expressed respecting the success of his mission if he was not the bearer of the King's ratification of the treaty. The conversation took place after dinner, in a room crowded with company, and was held in the French language, which General Vives speaks intelligibly, but not as correctly as a native of France. I may have misunderstood him; it is impossible that I should have misrepresented what I understood him to say; I repeated it before I left the room to Mr. Pasquier, and my letter to you was written two days after, and forwarded by my direction in the same vessel which carried General Vives to America.

There is no other fact within my knowledge bearing on the subject, unless it be a letter of the 11th of May last from Mr. Forsyth to me. I had previously communicated to him, as coming from General Vives, that he was authorized to consent that the United States should take immediate possession of Florida. Mr. Forsyth in his letter says that the government of Spain expected and would not complain of the occupation of the territory.

It having been thought proper to publish my letter of the 15th of February last, I leave it entirely with the President what course it will be proper to pursue with respect to this. I only request that, in case it should be either communicated to General Vives or published, the name of the Duke of Fernan-Nuñez may not be used unless absolutely necessary. I am not afraid of being suspected to have made a voluntary misrepresentation in any respect; and I would be very sorry that if that gentleman, whom the revolution of Spain has placed in a deli-

cate situation, has committed any mistake or indiscretion, he should be injured by anything coming from me.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 160.

PARIS, 30th August, 1820.

SIR,—I have the honor to enclose the copy of my answer to Mr. Pasquier's letter of the 31st of July. I have since seen him occasionally: he said that he had read my letter, and expressed a wish that we might arrange the difficulties; but he has not yet invited me to confer on the subject. It is true that the military plot lately discovered has engrossed almost exclusively the attention of this government. I understand that if we cannot agree here, it is intended to send back Mr. Hyde de Neuville to the United States, with powers to treat at Washington. This gentleman does not, I believe, wish to return unless that object should render it necessary.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 162.

PARIS, 22d September, 1820.

SIR,—I had the honor in my despatch of the 19th instant to state the reasons which would have induced me to agree to a reduction instead of a total abrogation of discriminating duties. It was not without much hesitation that, knowing precisely the President's intentions in that respect, I had come to that determination. It is perhaps better that the question whether it is proper to depart in favor of France from the principle we have tried to establish in our commercial relations with all other nations, should be decided at Washington. But if decided in the affirmative, what is the maximum of duties to which the

United States may agree without danger? The first principle on which I would have insisted was that of a perfect nominal reciprocity; that is to say, that the discriminating duty, whether laid on the bulk or on the value of the articles, should be the same in the United States and in France. Although the great difference in the bulk of our exports and imports makes that reciprocity but nominal, it seems important not to depart from the principle, for the sake at least of preserving appearances both with France and with other countries. As freight is the object, the quantity of each article which a vessel can carry per ton is the true basis to which we ought to resort. But as the rates of duty, if laid on the weight or capacity, must vary according to the bulk of each article, and there might be great difficulties in agreeing to so many distinct rates, I had thought that an uniform duty on the value of the article would be more easily attainable, and would in practice be sufficiently correct.

Upland cotton being the chief article of our exports to France, I had taken it as the basis of the calculation. From the best information I could collect, I thought that our ship-owners might at this time stand the competition of the French, even if these had a premium not exceeding one-third of a cent per pound. But on this, which is a question of fact, you may apply to the persons concerned in that trade, and who can alone say to what extent they are willing to allow that premium to French vessels rather than that the present state of things should continue.

Taking, then, 22 cents as the maximum of the price of upland cotton, I had concluded to accede to an uniform duty of one and a half per cent. on the value of all articles at the place where laden as the maximum of the discriminating duty to be laid by France on American produce imported in American vessels, and by the United States on French products imported in French vessels.

You may easily make the calculations necessary to show what this duty would amount to on the principal articles of our exports to France, taking it as a basis, which I believe to be tolerably correct, that our vessels carry on an average per ton 380 kilogrammes of cotton, 800 kilogrammes of tobacco, and 1000 kilogrammes of rice or potash. I think also, from the best

data in my possession, and which may be rectified at home, that our annual exports to France in those four articles, reduced to American weight, amount to about,

24,000,000 pounds of cotton, of which not more than 6 or 700,000 pounds consist of sea island (long staple).

8,000,000 pounds tobacco, chiefly first quality, part of which is, on account of the system adopted by the régie in their purchases, imported from England.

8,000,000 pounds of rice.

4,000,000 pounds potash and pearlash.

Compared with the heavy discriminating duties heretofore laid by France, the reduction would indeed be very great, since, rating the upland cotton at 20 cents per pound, the duty would be only 3 francs 5 centimes per 100 kilogrammes, instead of 16 francs 50 centimes, the present duty.

But the premium would still be, by my calculation, on an average of all our exports, about 2 dollars and 30 cents, or 12 francs 35 centimes, per ton, which is about $16\frac{1}{2}$ per cent. on the ordinary price of freight, estimated at 14 dollars, or 75 francs, per ton. I am perfectly satisfied that this is amply sufficient to compensate any superiority which our navigation may still have over that of the French, and that with economy and the removal of some restraints laid by their own government, they may within a twelvemonth navigate between the two countries on as cheap terms as ourselves. I would have thought it, therefore, indispensable to introduce a clause leaving it optional with either government to annul the agreement on giving due notice to the other party.

The substitution of an uniform duty of $1\frac{1}{2}$ per cent. on the value to our present discriminating duties would have made no important difference on goods which now pay duties ad valorem, but, rating wines imported from France in casks at $2\frac{50}{100}$ francs and brandy at $2\frac{80}{100}$ francs per gallon, it would reduce our discriminating duty on wines to one-half and that on brandy to one-sixth part of what it is now. France could not, therefore, object that the proposal was not reciprocal, and that result would, I am confident, have been acceptable to the commercial interest of Bordeaux and other southern ports.

Whether considerations of a different nature should induce still greater concessions to France, it is for the President to decide; but I beg leave to submit an observation to your consideration. I believe that I know enough of this government to assure you that it would be extremely difficult to make them agree to a proposition which had been once explicitly rejected by their minister. If, therefore, you perceive that Mr. de Neuville's proposals or views are such as to forbid an expectation that you can at the moment conclude a satisfactory arrangement with him, I would think it important that your proposals to him, and which he would of course reject, should fall short of your real ultimatum, reserving this for a more favorable opportunity, which will very probably occur as soon as this government is satisfied that you will not accede to their first demands. But even then their pride or vanity must be saved, and something different from what they shall have rejected be offered to them.

From what has been hinted to me, I suspect that it is intended, in case you should not agree to the demands of this government, to propose to you a provisional, or rather a preparatory, arrangement; that is to say, to reinstate things, with perhaps an insufficient modification of duties, to the situation in which they were prior to the Act of Congress of the 15th of May last, under an expectation that a more satisfactory arrangement will afterwards be made. There may be reasons to assent to this, rather than the commercial relations of the two countries should continue in their present state; but I think that you may with certainty calculate that, in that case, you will obtain nothing more than will have been thus agreed on, and that the expectation held out of something more satisfactory being afterwards assented to by France will not be fulfilled.

If you cannot make any satisfactory arrangement, it will be necessary to inquire through what channels the commerce between the two countries will be carried on. There can be but three,—foreign vessels, foreign places of deposit, and direct intercourse in spite of the heavy duties on both sides.

In the present state of things, there is no doubt that the importation of our produce into France will almost exclusively be

made by British or other foreign vessels. They pay 38½ francs per 100 kilogrammes of cotton. The same article, if imported into France from Great Britain or other foreign European ports in French vessels, will pay 33 francs. That difference is not sufficient to compensate for the expenses of a double freight (from America to England, and from England to France) and those incurred at the European port where the cargoes must be unladen and reladen. It must be added that I am well assured that the French ship-owners are taking measures for obtaining foreign papers for their vessels. I should not be at all astonished that this government should wink at this, and permit such vessels still to enter their ports as French; in which case our laws would be evaded and the trade be carried on exclusively by the French. I think it therefore indispensable, if we mean to persevere in the present plan, to prohibit altogether the exportation of our produce to France in any other than American or French vessels. There is nothing in any of our treaties to prevent this being done. With proper explanations, no nation could take offence at it; and, although it would disappoint some ship-owners here, I may venture to say that the measure would be popular even in France.

We might also with great facility prohibit the exportation of our cotton to Florida and to any of the West India islands; and this would be very advantageous if it should not provoke France to prohibit its importation from any European port. Whether, considering on one hand the expenses to be incurred in a double freight from the United States to the West Indies, and thence to Europe, as well as the expenses in a colonial port, and on the other hand the difference of 22 francs per 100 kilogrammes (resulting from the French duty and premium) in favor of this mode of importation, our ship-owners can stand the competition and send their produce here by way of England or other European places of deposit, I cannot positively say; and I think the most intelligent of our merchants should be consulted on this point. In favor of the prohibition it may be said that, if Congress does not adopt that measure during the next session, this government may nevertheless prohibit the importation from European ports if they find that the competition through that

channel is fatal to the plan of American places of deposit. But I still think this a doubtful question.

Should the importation be prohibited, as well through foreign ports both in Europe and America as by foreign vessels, the commerce may still be carried on by a direct intercourse. But in that case it would, under the existing rates of tonnage and other duties, exclusively fall in the hands of the French; since their vessels (exclusively of our discriminating duty on their inward cargoes) would pay in our ports only 18 dollars per ton, and ours would pay in French ports the new tonnage duty of 99 francs, and about 65 francs per ton on account of the old discriminating duty on their cargo, making about 30½ dollars per ton. It would in that case again be necessary to lay a new duty of 12 dollars per ton in order to restore equality; and this government would probably by an ordinance again re-establish an inequality in their favor. I therefore think that if no arrangement is made, it will be necessary that the President should be vested with some discretionary power in that respect.

But we never will be placed in an eligible situation towards other nations, and in one that may enable us to treat upon an equal footing, until an amendment shall have been obtained to the Constitution which will permit Congress to lay an export duty on articles exported in foreign vessels. Then, a general law laying on such exports a duty always precisely equal to that which is laid in the foreign country on similar articles when imported in American vessels beyond what is levied on the same articles when imported in vessels of that country, will relieve us from every difficulty of the nature we now experience.

I have fairly stated those which we have to encounter in case you should fail in making an arrangement, and they have certainly much weight. It must, however, be recollected that the inconvenience is at least as great on the part of France, that the shipping heretofore employed in our trade lies now idle, and that, whatever they may say, they do want at least our cotton and tobacco far more than we do any of their manufactures or products. On tobacco there can be no doubt; and you may rely upon it that there is no substitute for our cotton without their manufactures being materially injured. That of Brazil is too

dear, and that of the East Indies too inferior; besides which, they do not understand how to clean this without great loss, and it cannot be imported with any benefit except when ours exceeds that of 20 cents per pound.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 163.

PARIS, 19th October, 1820.

SIR,— * * * * * * * * *

Mr. Hyde de Neuville has been appointed ambassador to Brazil, but, in conformity with the official communication made to me, goes in the first place to the United States, for the purpose of concluding, if practicable, an arrangement with you on all the commercial difficulties existing between the two countries. Although that gentleman's opinions with respect to the construction of the Louisiana Treaty and to the subject of discriminating duties essentially differ from ours, I believe that he continues to have the same friendly dispositions towards the United States which he has always evinced.

From conversations with him and with the Duke of Richelieu, I am induced to believe that this government refused to separate in the negotiation the question relative to the Louisiana Treaty from that of discriminating duties, less with a view to insist on their construction of the treaty than from the hope that the United States would make concessions in some other respect, in order to obtain from France a relinquishment of her pretensions under the article in question.

GALLATIN TO J. Q. ADAMS.

No. 164.

PARIS, 23d October, 1820.

SIR,—I had the honor on the 20th instant to receive your despatch No. 24, and addressed on the 22d to Mr. Pasquier

the letter of which a copy is enclosed. Its object, Mr. Hyde de Neuville not having then yet left Paris, was to induce this government to give him rational instructions. I had the same evening a short conversation with Mr. Pasquier, in which he used conciliatory language, but said that it appeared absolutely necessary to have some explanation on the 8th Article of the Louisiana Treaty, and drew a distinction between our old discriminating and our new tonnage duty with reference to the privileges granted to France by that article. I have thought, upon reflection, that there might have been some foundation for that distinction, so far at least as our new tonnage duty exceeded that which it was intended to countervail. But the objection was not at all made on the receipt of the Act of Congress: it was thought more eligible to retaliate than to discuss; and France, after having laid her one hundred francs duty, has at least no right to complain.

Mr. de Neuville called on me since the receipt of your despatch. Nothing very interesting occurred in the course of the conversation. I discovered, however, that when he had spoken of the privileges granted to France by the Louisiana Treaty as being inconsistent with the Constitution of the United States, he alluded to an argument which you had used. I cannot help thinking that there has been in that respect some misconception on his part. It is very clear that the United States could not make, now that Louisiana is a State, a treaty containing conditions similar to those in question; but I do not perceive that the Constitution prevented them from acquiring on those terms Louisiana when a foreign colony, still less that they could, without a compensation, be relieved from any obligation on the ground that the Constitution did not permit its performance. In your despatch to me, you consider as contrary to our Constitution those privileges only, claimed by France, which are founded on an inadmissible construction of the treaty. And the only argument which it seems to me can be drawn from the Constitution is that the article must remain as it is, and that the government of the United States cannot, even if so disposed, give to it a more extensive construction in favor of France than its literal and natural sense will admit.

I now beg leave to submit to your consideration an observation on the ground which you seem disposed to take, that France cannot claim the benefit of the article in her favor in the Louisiana Treaty because her present government has declared that it could not be responsible for the outrages of its immediate predecessors. There would be some danger, if we acquiesced in that doctrine, that France might then say that the whole treaty was at an end, and the cession of Louisiana a nullity. I would rather argue from their claiming the benefit of the 8th Article of the treaty, that they did consider themselves responsible for the acts of Bonaparte. But, in point of fact, this government has never declared that they were not thus responsible. It was indeed once, and but once, verbally suggested by the Duke of Richelieu in a conversation, which he has most probably forgotten. But they have not by any written act or in any official manner assumed a ground which they dare not maintain in the face of France. Even Baron Louis, in his extraordinary letter to Mr. Parish, founded his refusal not on a presumed irresponsibility, but on the ground that the order of Bonaparte to transfer the money from the caisse d'amortissement to the treasury was tantamount to a condemnation. I will add that, after raising a thousand difficulties, and very unjustly curtailing the amount, the Minister of the Marine has lately paid to the owner a large sum for the value of the American ship Ocean and cargo. This vessel, captured on her way from Canton to Philadelphia by a French frigate, was carried to the Isle of France and there condemned on some frivolous pretence. The ship and cargo were sold, and the proceeds put in the public chest of the island. The case was so gross that upon an appeal the council of prizes pronounced an acquittal in 1813. From this decision the Minister of the Marine, subsequent to the restoration, appealed to the council of state, which, in 1818, confirmed the sentence of the council of prizes. And the money has been accordingly paid, although it had been either expended by the public authorities in the island, or, [as] is asserted, had fallen in the hands of the British at the time of its capture. I think this to be a case in point, and which may be usefully quoted hereafter, to prove that this government does think

itself responsible for illegal acts committed under the reign of Bonaparte.

Mr. Hyde de Neuville was to leave Paris yesterday. It is intended that he should embark at Rochefort for the United States within the ten first days of November.

I have the honor, &c.

JEFFERSON TO GALLATIN.

MONTICELLO, December 26, 1820.

DEAR SIR,—"It is said to be an ill wind which blows favorably to no one." My health has long suspended the too frequent troubles I have heretofore given you with my European correspondence. To this is added a stiffening wrist,—the effect of age on an ancient dislocation,—which renders writing slow and painful, and disables me nearly from all correspondence, and may very possibly make this the last trouble I shall give you in that way.

Looking from our quarter of the world over the horizon of yours, we imagine we see storms gathering which may again desolate the face of that country. So many revolutions going on in different countries at the same time, such combinations of tyranny and military preparations and movements to suppress them, England and France unsafe from internal conflict, Germany on the first favorable occasion ripe for insurrection,—such a state of things, we suppose, must end in war, which needs a kindling spark in one spot only to spread over the whole. Your information can correct these views, which are stated only to inform you of impressions here.

At home things are not well. The flood of paper money, as you well know, had produced an exaggeration of nominal prices, and at the same time a facility of obtaining money, which not only encouraged speculations on fictitious capital, but seduced those of real capital, even in private life, to contract debts too freely. Had things continued in the same course, these might have been manageable; but the operations of the United States

Bank for the demolition of the State banks obliged these suddenly to call in more than half their paper, crushed all fictitious and doubtful capital, and reduced the prices of property and produce suddenly to one-third of what they had been. Wheat, for example, at the distance of two or three days from market, fell to, and continues at, from one-third to half a dollar. Should it be stationary at this for a while, a very general revolution of property must take place. Something of the same character has taken place in our fiscal system. A little while back, Congress seemed at a loss for objects whereon to squander the supposed fathomless funds of our Treasury. This short frenzy has been arrested by a deficit of 5 millions the last year and of 7 millions this year. A loan was adopted for the former and is proposed for the latter, which threatens to saddle us with a perpetual debt. I hope a tax will be preferred, because it will awaken the attention of the people and make reformation and economy the principles of the next election. The frequent recurrence of this chastening operation can alone restrain the propensity of governments to enlarge expense beyond income. The steady tenor of the courts of the United States to break down the constitutional barriers between the co-ordinate powers of the States and of the Union, and a formal opinion lately given by five lawyers of too much eminence to be neglected, give uneasiness. But nothing has ever presented so threatening an aspect as what is called the Missouri question. The Federalists, completely put down and despairing of ever rising again under the old division of Whig and Tory, devised a new one of slave-holding and non-slave-holding States, which, while it had a semblance of being moral, was at the same time geographical, and calculated to give them ascendency by debauching their old opponents to a coalition with them. Moral the question certainly is not, because the removal of slaves from one State to another, no more than their removal from one county to another, would never make a slave of one human being who would not be so without it. Indeed, if there were any morality in the question it is on the other side; because by spreading them over a larger surface their happiness would be increased, and the burden of their future liberation lightened by bringing a greater number of shoulders under it.

However, it served to throw dust into the eyes of the people and to fanaticize them, while to the knowing ones it gave a geographical and preponderant line of the Potomac and Ohio, throwing fourteen States to the North and East, and ten to the South and West. With these, therefore, it is merely a question of power; but with this geographical minority it is a question of existence. For if Congress once goes out of the Constitution to arrogate a right of regulating the condition of the inhabitants of the States, its majority may, and probably will, next declare that the condition of all men within the United States shall be that of freedom; in which case all the whites south of the Potomac and Ohio must evacuate their States, and most fortunate those who can do it first. And so far this crisis seems to be advancing. The Missouri constitution is recently rejected by the House of Representatives; what will be their next step is yet to be seen. If accepted on the condition that Missouri shall expunge from it the prohibition of free people of color from emigration to their State, it will be expunged, and all will be quieted until the advance of some new State shall present the question again. If rejected unconditionally, Missouri assumes independent self-government, and Congress, after pouting awhile, must receive them on the footing of the original States. Should the Representatives propose force, 1, the Senate will not concur; 2, were they to concur, there would be a secession of the members south of the line, and probably of the three Northwestern States, who, however inclined to the other side, would scarcely separate from those who would hold the Mississippi from its mouth to its source. What next? Conjecture itself is at a loss. But whatever it shall be you will hear from others and from the newspapers; and finally the whole will depend on Pennsylvania. While she and Virginia hold together, the Atlantic States can never separate. Unfortunately, in the present case she has become more fanaticized than any other State. However useful where you are, I wish you were with them. You might turn the scale there, which would turn it for the whole. Should this scission take place, one of its most deplorable consequences would be its discouragement of the efforts of the European nations in the regeneration of their oppressive and cannibal

governments. Amidst this prospect of evil I am glad to see one good effect. It has brought the necessity of some plan of general emancipation and deportation more home to the minds of our people than it has ever been before, insomuch that our governor has ventured to propose one to the Legislature. This will probably not be acted on at this time, nor would it be effectual; for, while it proposes to devote to that object one-third of the revenue of the State, it would not reach one-tenth of the annual increase. My proposition would be that the holders should give up all born after a certain day, past, present, or to come; that these should be placed under the guardianship of the State, and sent at a proper age to St. Domingo. There they are willing to receive them, and the shortness of the passage brings the deportation within the possible means of taxation, aided by charitable contributions. In these I think Europe, which has forced this evil on us, and the Eastern States, who have been its chief instruments of importation, would be bound to give largely. But the proceeds of the land office, if appropriated to this, would be quite sufficient. God bless you, and preserve you multos años.

GALLATIN TO J. Q. ADAMS.

No. 174.

PARIS, 29th March, 1821.

SIR,—I had the honor to receive your despatches No. 29, 30, and 31. Nothing has occurred in relation to our affairs since my last letter. Indeed, this government has been too much occupied with the events passing in Europe to attend to objects of less importance. In a conversation with one of the Ministers, whom I have reason to believe to be desirous that an arrangement should take place, he suggested a prolongation for a limited time of the privileges which had by the Louisiana Treaty been secured during twelve years to the French commerce in that quarter, as a substitute to the provision which allows permanent advantages to it, and as a mode of conciliating the difference of opinion of the two governments on that subject. Another

person, of great respectability, and very friendly to the United States, alluded to the necessity of some concession on our part which might enable this government to come to an arrangement without abandoning altogether the ground they had taken.

An increasing demand from other quarters for the Lyons manufactures, and the fall in the price of cotton, have for the present lessened the effect which the suspension of commercial intercourse with the United States would otherwise have produced on the manufacturing interest of this country. No observation has been made to me with respect to the French vessel seized in the waters of St. Mary's. The papers you have sent me on the subject have all been received. It seems to me that the only doubtful point is whether France has a right to complain of a violation of the Spanish territory.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 177.

PARIS, 18th May, 1821.

SIR,—I had the honor to receive your despatch No. 34, of the 2d of April last.

The steps taken by this government, and the conversations I had with Mr. Pasquier and with Mr. Hyde de Neuville, had not encouraged very sanguine hopes that this minister's powers and instructions were such as to enable you to conclude an arrangement with him on reasonable terms. The delay in his departure, the accident which detained him, and the season of the year when he finally sailed, precluded any rational expectation of an early termination of the negotiations at Washington. I was, therefore, from the beginning of the winter led to apprehend that they might be transferred again to this place, and yet that the result would not be ascertained till late in the spring. Although the prospect of an arrangement being made here was not flattering, I could not help thinking that this government had received some erroneous impressions respecting the opinions prevailing at Washington and the effect which Mr. Hyde's mission

would produce, and that its result might induce them to take a more correct view of the subject. I thought it, upon the whole, my duty to wait, and, the lease of my house expiring on the 1st of May without having heard from you, I concluded to make arrangements for remaining in France another year. From motives of economy, I have taken for the summer a country-seat three leagues from Paris, at which place I have left Mr. Sheldon and the office. I will return there to spend the winter, and intend to sail for the United States early next spring. I am happy to find that this coincides with the views of the President, and beg leave to request you to present my acknowledgments to him for his kind attention: for a passage late in the year with my family would have been impracticable.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 178.

PARIS, 20th May, 1821.

SIR,—I had the honor to receive your letter No. 33, of 31st March last.

The ship that had taken Mr. Hyde de Neuville to the United States had returned a few days before, and had brought some despatches from him, and the Act of Congress of the 3d of March. Although Mr. Pasquier seemed pleased with both, and it appears that this government had authorized the promise of a reciprocal restoration of duties on vessels which had entered French ports without notice of the new tonnage duty, he did not attend to it; and, although ignorant of that fact, I found it necessary, after waiting a few days, to remind him that such a measure was naturally expected, and that it would have a much better effect if spontaneous on the part of the French government than if it appeared as the result of an official application on my part. He seemed at first to think that it was unnecessary to issue any ordinance for that purpose, and that the first had provided for the case. On my insisting, he promised to attend to it, and the ordinance of the 23d of April (contained in the

Moniteur of the 27th) was accordingly issued, and communicated to me in the letter of which a copy is enclosed. Those circumstances are mentioned only to show that our affairs do not engross much of the attention of this government.

There is not much appearance of an accommodating disposition in Mr. Hyde's letters enclosed in your despatch; but it would be premature to draw any positive inference. In your letter to him you mention my having been instructed to give to this government explanations respecting the seizure of the Apollon; but I had understood, as you may have inferred from my despatches Nos. 172 and 174, that these explanations were to be given only in case the subject should be mentioned to me. I think that, if it can be avoided, it will be best not to agitate it here; but, if that should become necessary, I would wish to understand fully the grounds of the decision of the District Court. . . .

GALLATIN TO J. Q. ADAMS.

No. 179.

PARIS, 21st May, 1821.

SIR,—I had the honor to receive your despatch No. 32, of 31st March last.

The Antwerp claims having again been laid before the Minister of Foreign Affairs, and all the arguments which could be urged in the present stage of the business having been exhausted in my letters to him and to his predecessors, the Duke of Richelieu and Marquis Dessolle, the only question which can now arise relates to the propriety of urging a decision. I will confer with Mr. Gracie on that point, and keep also in view the effect any steps taken with respect to these may have on the other claims of our fellow-citizens. I have already mentioned that Mr. de Neuville had alluded to the propriety of settling these questions at the same time with those relating to the Louisiana Treaty and the commercial relations of the two countries. I might have added that he had shown much more favorable dispositions with regard to the indemnities due to us than on any

of the other subjects of discussion between the two governments. Another circumstance deserves, perhaps, to be mentioned. All the Antwerp claims arise from the seizure of vessels consigned either to the house of Mr. Parish or to that of Mr. Ridgeway. Mr. Mertens, of Bruxelles, formerly a partner of the last house, who has the management of the claims connected with it, and is a very respectable man, was here in December last, and consulted me on the propriety of accepting an offer made to him by some Frenchmen for the purchase of the claims. I declined giving any opinion on a question of that nature, as I could neither countenance a speculation which might prove injurious to our countrymen, nor give any assurance that there was a prospect of obtaining full compensation from France. He then told me that he would write to the claimants in America. He can hardly have yet received any answer, and I do not believe that he will act without making further inquiries from me. But it is not probable that the men in question, whom I understood to be in some shape or another connected with persons employed in the bureau, and who had offered to Mr. Mertens one-half of the principal claimed, would have done it had they not strong grounds to believe that the claims would, at least when owned by them, be ultimately admitted by government. As there is an appearance of corruption in all this, I must add that, if it does exist, I believe that it is only in some of the bureaux, which, unfortunately, have a much greater influence in important decisions than the simple form of our administration would lead us to suppose.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 181.

PARIS, 23d June, 1821.

SIR,—I had the honor to receive your despatches Nos. 35, 36, and 37. I had been strengthened in my own opinion that it was best not to agitate here the question of the Apollon, unless it was first mentioned by this government, by the expressions

used in your despatch No. 28, that the documents transmitted on that subject should be used in quieting any uneasiness which the French government might manifest at that seizure. But, the correspondence with Mr. de Neuville enclosed in your despatch No. 37 showing that the discussion on that point was abandoned with the understanding that the necessary explanations had been given here to this government, I found it necessary to take some steps in that respect, although the copies of your answers, which were already in their possession, had nearly exhausted the question. I accordingly addressed the enclosed note to Mr. Pasquier, leaving it in his power by its tenor silently to drop the subject if he thought proper. He, however, answered on the 21st, inviting me to an interview on any day I thought proper. I waited on him yesterday, when he said that he was of opinion that of all questions there was none which could with more propriety be discussed at Washington than that of a seizure made in the United States; that the seizure was an evident violation of international rights, and that, the case being already decided by the decree of our own court, declaring the seizure to have been illegal, nothing remained for discussion but the reparation to be made for the offence. I replied that, since he was not satisfied with the explanations already received, it was my duty to address him on the subject, as I was in hopes that he would find that he had been presented with an incorrect view of the subject; that his allusion to the decree of the court was a proof of his not being sufficiently informed, as, although I had not seen it, I could assert that it had not at all decided the question of the legality of the seizure; that the only motive with my government to prefer that the subject should be explained here rather than be discussed at Washington was to remove any incidental matter which might embarrass the negotiation; and that I would transmit my observations to him in writing, after which he would decide on the course which he might think proper to pursue. We entered, however, insensibly in the discussion, in the course of which I did not perceive that I had produced much impression otherwise than what might be inferred from his being obliged to resort on two occasions to distinctions more subtle than solid, and from his language being

less harsh and positive at the end than at the beginning of our conversation. I have promised to send him my note in the commencement of next week, and I understood that he would not till after its receipt write to Mr. de Neuville on the subject.

On my inquiring whether that gentleman was to proceed immediately to Brazil, or to remain in the United States till the negotiation was terminated, Mr. Pasquier answered that he had already written to Mr. de Neuville to suspend his departure till further orders, and until the situation of Brazil and Portugal and the place where the King would reside were better ascertained, and that it was of course expected that he, Mr. de Neuville, would remain in the United States till the negotiation was terminated.

On my alluding to its present situation, and his saying that it was less advanced than he had expected, I observed that I was apprehensive that the course pursued was not calculated to bring it speedily to an end. Not only had Mr. de Neuville departed from reciprocity by proposing a reduction of one-half of our discriminating duties and of only one-third of those of France, whilst it was notorious that it was the exaggerated rate of these which had occasioned the present difficulties, but he had also blended with the question of navigation, which it was the object of the negotiation to settle, matter foreign to it, asking a gratuitous reduction of duties on French wine, and also an increase of duties on China silk; a change in our tariff which perhaps it might hereafter be our interest to make by law, but which it could not certainly be expected that we would by treaty bind ourselves to make without an equivalent. Our government had accordingly asked as a compensation that we should be released from the obligation to sell tobacco exclusively to the régie; a demand which, however reasonable, I well knew that France could not accede to without changing the whole of her fiscal system with respect to the fabrication and sale of manufactured tobacco, of which the régie, or, in other words, government, had now the monopoly; for it must be clearly understood that what was asked on our part was not the permission to sell to individuals for exportation, which we had already by the means of the entrepôt, but that of selling for

the home consumption of France to other persons than to the régie. It appeared, therefore, that these extraneous subjects, which there was more intrinsic difficulty to arrange than that of the navigation itself, should be withdrawn from the discussion. I added that although the United States could not accept the abstract and undetermined basis proposed by France, yet they had done what was in fact tantamount to it, by so far receding from their first demand of a total abrogation of the discriminating duties as to express their readiness to receive specific propositions for their reduction, and that the best mode to ascertain whether an arrangement was practicable was to meet them simply on that ground. Mr. Pasquier did not otherwise answer these observations than by saying that any arrangement reducing the discriminating duties would give a decided advantage to our navigation, and he repeated the assertion, drawn from the returns of the custom-houses for the years 1819 and 1820, that we had preserved the superiority to the last moment till the extraordinary tonnage duties had taken place. The obvious answer, already repeatedly made, was again repeated, and I added that since the negotiation had been transferred to Washington, it was not at all my intention to discuss any litigated point, and that he must consider the observations I had taken the liberty to make as extra-official, and brought forth only by my sincere desire to promote an amicable settlement of our commercial difficulties.

I have the honor, &c.

GALLATIN TO BARON PASQUIER.

PARIS, 28th June, 1821.

SIR,—Although your Excellency is already possessed of the principal facts relative to the seizure of the French ship Apollon, Captain Edou, I beg leave, in conformity with the intentions of my government, to recapitulate the grounds on which that seizure was made.

As the right of a government to seize a vessel within its own jurisdiction for an actual or presumed violation of the laws, and to bring her to a trial before the competent tribunal, cannot be denied, my observations will be confined to that circumstance on which the remonstrances and complaints preferred by the diplomatic agents of France appear to have been founded, namely, the seizure of the vessel whilst in Florida, and, as it is alleged, without the jurisdiction of the United States.

The obvious answer is that the United States had, as is well known, taken possession of Amelia Island, in Florida, more than two years before the incident in question, and that they had at the same time extended their jurisdiction over the whole of St. Mary's harbor, including the place where the Apollon was seized.

Strictly speaking, the last point is the only one which can be subject to discussion. For the motives which induced the United States to occupy Amelia Island and the adjacent waters, and for the manner in which the occupation was effected, they are accountable only to Spain. A third nation, unless she should think proper to become a party in the question, considers only the fact of actual possession, and her vessels and subjects must submit to the jurisdiction of the occupant so long as the possession is maintained.

It has indeed been suggested that there were but two modes of obtaining possession of a foreign territory which could be recognized by other nations, that is to say, cession by virtue of a treaty, and conquest in time of war. This assertion does not appear tenable. A third nation has no more concern with the manner in which the possession is taken than with the motives of the act. There may be cases which would justify a remonstrance, but in the mean while the possession and incident jurisdiction must be and are always respected. Without recurring to more remote instances, although some could be found in the annals of France, particularly under the reign of Louis the Fourteenth, it is sufficient to mention that of Montevideo. That seaport and the adjacent territory were taken possession of by Portugal whilst at peace with Spain, and if not from the same motives, at least in the same manner as Amelia Island

and the Spanish port of the adjacent harbor were occupied by the United States. It does not belong to me either to justify or to impugn that act. But the fear it might disturb the general peace drew the attention of the principal European powers towards it; and although their interposition was unavailing and the possession is still maintained, the temporary jurisdiction of Portugal over the occupied territory has not been disputed, and is still respected.

There is not, however, when offering amicable explanations to a government whose friendship and opinion are highly valued by the United States, any hesitation to communicate the causes which led to the occupation of a part of Florida. This act was the unavoidable consequence of the inability of Spain to fulfil those duties which, as possessing a territory adjacent to the United States, she was by the law of nations and by express treaty stipulations bound to perform.

During the late war between the United States and Great Britain, Spain permitted or could not prevent a British force from landing at Pensacola itself, the principal port of Florida, although its entrance was defended by forts and batteries, and from invading thence the territory of the United States. At two different times during that war and subsequent to its termination, though expressly bound by treaty to do it, even by force, she did not or could not restrain the Indian tribes inhabiting Florida from violating twice the peace with the United States and from carrying twice a savage war against their frontiers. Although the ports of Florida were under the colonial system generally shut up against foreign vessels, she permitted the harbor of St. Mary's and Amelia Island to become the resort of all those who frequented it for the sole purpose of violating the laws of the United States during the period (1808 to 1812) in which they were endeavoring by the pacific measures of embargo, non-importation, and non-intercourse to obtain a revocation of the unlawful decrees of the belligerent powers and to avert the necessity of a recourse to war. Finally, she could not prevent a band of adventurers, led by McGregor and acting under color of the pretended commission of a government which did not exist, from occupying that same Amelia Island with the in-

tention to make a harbor, one-half of which did belong to the United States, an asylum for smugglers, slave-traders, and sea-robbers.

It was then that the government of the Union, after having expelled the intruders, determined to keep possession of that portion of territory, for the immediate purpose of preventing similar outrages, and with the intention to continue the occupation until they had obtained reparation for the injuries sustained and security against their recurrence. The moderation of the United States in not resorting to more efficient measures and in not extending the occupation beyond what was absolutely necessary for their protection, their forbearance under the vexatious delays which attended the ratification of the treaty for the cession of the whole province which had been soon after concluded, are well known to the world; and it must be acknowledged that these circumstances did not at least lessen their right to exercise that jurisdiction which the occupancy had given to them.

That the place where the Apollon was seized was embraced in the occupation by the United States is equally evident.

The middle of the river St. Mary's, from its source to the Atlantic Ocean, was the boundary established by treaty between the United States and the Spanish colony of Florida. A spacious harbor, through the middle of which the boundary-line extended, is formed by the waters of the ocean at the mouth of that river. It is bounded on the Florida side, first, in coming from the sea, by Amelia Island (on which is the village, fort, and port of Fernandino), and higher up by the southern side of the river, on which are found only a few scattered farms; and on the opposite side, first by Cumberland Island, and higher up by the northern side of the river, on which is situated the American town and port of St. Mary's. The spot where the Apollon was seized, and where she had proceeded after having anchored for some days opposite Fernandino, was higher up within the said harbor, on the southern side of St. Mary's River, in an inlet of the same called Bell's River, and about midway between the Spanish town of Fernandino and the American town of St. Mary's.

It would have been absurd on the part of the United States, when forcibly taking possession of Amelia Island and of the

only fortified portion of the harbor, not to have extended their occupancy and jurisdiction to the whole. They had occupied and continued their occupation not for the protection of Spain against McGregor, but for their own against the repeated outrages and injuries which they had experienced. If, as has already been stated, they were cautious not to extend the occupation beyond what was requisite, they would at least carry it as far as was necessary for the attainment of the object in view. The placing a garrison in the only fortified place of the harbor, by giving them, combined with the naval force stationed there, the command of the whole, was sufficient for that purpose, and unless that purpose was attained there would have been no object in maintaining a partial and useless possession. It would be preposterous to suppose that after having taken that strong measure they should have suffered another McGregor, or British vessels coming from the West Indies, which were and still are excluded from the ports of the Union, or vessels laden with slaves intended to be landed on their shores, to pass under the cannon of Fernandino, to proceed quietly one or two leagues higher up within the same harbor, and there undisturbed to carry into effect the same illegal practices or criminal acts to prevent which had been the object of the occupation.

The military occupation of Amelia Island and its avowed object are, therefore, alone sufficient to establish the fact of the occupancy of the whole harbor and of the extension of a corresponding jurisdiction. But of this there is also direct and incontrovertible evidence. After a deliberate examination of the subject by the government of the United States, and with a full knowledge of the intentions of some foreigners in that respect, it was deemed proper to remove any doubts which might still be entertained; and the collector of the customs of St. Mary's was accordingly, as early as the 6th of May, 1818, directed by instructions emanating from the President "to enforce the revenue laws upon *all* vessels entering the river St. Mary's, without regard to the side of the river in which they might anchor." This order, which was strictly enforced, and to which there was but one exception, dictated by motives of courtesy, in favor of Spanish vessels, did effectually prevent any illicit attempt to

evade in that quarter the revenue laws of the United States, and, although affecting particularly the British commerce, had always been submitted to without opposition or remonstrance till the arrival of the Apollon. It is evident that although neither the assumption of jurisdiction nor the corresponding instructions had any special reference to French vessels, they were clearly embraced in both, and could not consistently have been excepted.

The Apollon having, for a presumed violation of the revenue laws of the United States, and for the purpose of being brought to a trial for that presumed offence, been seized, after having entered the river St. Mary's, and whilst at an anchor on the southern side thereof, in a place which, though in Florida, was included in that portion of the province which had been occupied by the United States and over which they had exercised exclusive jurisdiction for more than two years preceding, there has not been in that act any infraction whatever of the acknowledged law of nations; the complaint preferred on that occasion having, it is presumed, been grounded on the erroneous supposition that the place where the seizure was made was without the actual jurisdiction of the United States.

Whether Captain Edou had actually committed any infraction of the revenue laws of the United States, which made his ship liable to confiscation, is another question, within the exclusive competence of the tribunals, and altogether distinct from that which has been here considered. Supposing, what is not admitted, that he had committed no such infraction, the seizure, if made, as it is believed has been demonstrated, within the actual jurisdiction of the United States, could give rise to no other species of complaint than if a similar process had on strong presumption, although founded in error, taken place in the port of New York.

It is not believed that any serious argument will be attempted to be drawn from the alleged creation by the Spanish authorities of a pretended port, subsequent to the arrival of the Apollon in St. Mary's River, and for the special purpose of enabling her to evade the laws and regulations of the Union. It was the natural effect of the occupation and assumption of jurisdiction by

the United States to exclude any other concurrent authorities or jurisdiction. They were accordingly excluded; and if any attempt had been made by Spain herself to re-establish them, or, in other words, to resume the exercise of her authority in the territory occupied, the attempt would have been utterly disregarded, and either treated as a nullity or repelled by force, as the case might require. It happens, however, that even that suggestion cannot be supported. Florida was a dependence of the government of Cuba. The governor-general of that island, who was alone authorized to relax from the colonial system and to open new ports to foreign vessels, had been repeatedly applied to for that purpose by some inferior agents, who, blinded by their eagerness for illicit profits, had, it seems, absurdly supposed that the United States would acquiesce in that extraordinary project. But that superior officer, well knowing that this was tantamount to an attempt to resume possession of the territory occupied by the Union, had uniformly refused his assent. That pretended port was therefore established, if at all, by officers who had no authority to that effect; and the Apollon was, in fact, found and did land her cargo in a place from which foreign vessels were excluded by the Spanish laws and regulations then in force.

The motives of the agents alluded to will best appear from the letters of the principal amongst them (the Spanish consular agent at St. Mary's) to a correspondent, which were forwarded to my government, and copies of which have, I believe, been given to Mr. Hyde de Neuville. That consular agent represents the establishment of that pretended new port as a continuation of the arrangement which had supported them (the smugglers and illicit traders) during the American embargo and non-intercourse and the war with Great Britain, and under which they had acted to a vast extent from 1805 to 1815; and he further expresses his hope that the information, when it has reached France, may have a great tendency there to delay the negotiations on an adjustment of the tonnage difficulties. How far Captain Edou participated in these expectations I will not pretend to say. But he made himself a party to the plan by acting, so far as related to his ship, under the guidance of, and in con-

cert with, that consular agent, and by going in person to St. Augustine to solicit the establishment of the pretended port.

The first decision of the American government in his case had no reference to any presumed infraction of the revenue laws of the United States, and did not, therefore, direct that his ship should be seized. It bears date the 9th of September, 1820, and simply states, what was sufficiently obvious, that the Apollon was embraced by the instructions already quoted of the 6th May, 1818,—that is to say, that the revenue laws should be enforced upon her without regard to the side of the river in which she might anchor. But after the ship had been seized for a presumed infraction of those laws, and when application was made for her release, government was in possession of the above-mentioned letters of the Spanish consular agent; the question was not whether the ship was embraced by the instructions, but whether an exception should be made in her favor; and it will not certainly be deemed harsh that under all the circumstances of the case, such as they were then known, it should have been left to be decided by the ordinary tribunals.

The ship has since been acquitted by a decision of the court for the district of Georgia. I have not seen the decree, but, from the manner in which it is mentioned in the despatches from my government, I am authorized to say that the inference which seems to have been drawn, that the decision implied that the seizure was illegal, or in any degree affected the main question, is erroneous. Indeed, there are many other obvious grounds on which an acquittal might have been pronounced in the first instance. Sufficient proof of the facts may not have been adduced; the facts proven might constitute an attempt to infringe the laws, and not a positive infraction; the infraction, if any was proven, might subject the captain to a penalty, and not the ship to be forfeited; there might be an omission or defect in the revenue laws, which rendered the provisions supposed to have been violated inapplicable to the case in question. In either of those cases, or if there was a doubt in the mind of the judge, who knew that there was an appeal from his decision, he would pronounce an acquittal.

Whatever may have been the grounds of the decree of that

court, certain it is that the government of the United States was of opinion that on an appeal to the superior tribunal a decision would be had against the vessel; and that the President, in declining a further prosecution of the case, has been impelled by no other motive than that of removing what might be made an obstacle to pending negotiations, and of giving an additional proof of the earnest desire of the United States to entertain the most friendly relations with France, and to terminate by amicable arrangement the difficulties which have arisen in the commercial intercourse between the two countries.

I request your Excellency to accept the renewed assurances of the distinguished consideration with which, &c.

GALLATIN TO J. Q. ADAMS.

No. 182.

PARIS, July 2, 1821.

SIR,—I have the honor to enclose the copy of the letter I wrote the 28th ultimo to Mr. Pasquier on the subject of the Apollon.

Some of the observations are in reply to those made by him in our last interview; but you will perceive that I have generally taken rather new ground. All that could be said with respect to the effect of the non-ratified treaty with Spain was already contained in your communications, and you are aware that the doctrine is not generally admitted in Europe. I thought it equally dangerous and inconsistent with our general principles to assert that we had a right to seize a vessel for any cause whatever, short of piracy, in a place where we did not previously claim jurisdiction; and it appeared to me, from the general facts as well as from the documents transmitted, that we could with great propriety maintain the position that the pretended port of St. Joseph was included within the limits of our previous occupancy. I have at the same time brought in view the principal feature of the conspiracy to evade and violate our laws, and said nothing tending to lessen the force of the arguments heretofore used. There was, it seems to me, an intrinsic

difficulty in the case, owing to the want of an Act of Congress extending at least the revenue laws of the United States to the places and waters occupied or claimed. This may give rise to an application for indemnity on the part of the parties, which would, however, be only a private claim, to be discussed when those of our citizens shall be taken into consideration by this government.

I had in the conversation with Mr. Pasquier alluded to the seizures at St. Sebastian's, with the ostensible view of showing our consistency in considering the actual possession as superseding what may be called the legal title, since, whilst asking indemnity in that case for a groundless and unjust seizure and sequestration, we had made no separate demand for the supposed violation of the Spanish territory, had not considered the government of Spain as responsible, had made, indeed, no application to it for indemnity in that respect. My real object was, however, to remind this government of the little right they had to show or to affect such susceptibility in the case of the Apollon, particularly when it was recollected that this vessel was without the least delay brought to a fair trial before an independent tribunal, whilst we had in vain applied for ten years for a similar measure of common justice, which continued to be denied us even by the existing government. Upon reflection, I thought it sufficient to have alluded verbally to that subject. Our ground was strong enough in the case of the Apollon, without recurring to any considerations drawn from the conduct of the French, and I did not wish to run the risk of lessening in the smallest degree our claims for indemnities by using arguments which might have the appearance of justifying our acts by theirs, and of thereby suggesting some ground of justification for these.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 186.

PARIS, 15th September, 1821.

SIR,—Nothing has taken place here respecting our affairs since my despatch of 2d of July last.

I have formerly mentioned that Mr. Mertens, late partner of Mr. Ridgeway's house at Antwerp, had opened a negotiation for the sale of the claims arising from the property consigned to the said house, which had been sequestered at the same time and under the same circumstances as Mr. Gracie's ships consigned to Mr. Parish's house. Mr. Mertens, having obtained the consent of the American owners, wrote again to me on the subject; and I have the honor to enclose copies of his letter, of my answer, and of his reply. The Algerine claim to which he alludes was one the payment of which, although recognized by a solemn treaty, the parties in vain tried for several years to obtain. But as soon as it had been purchased by an association of French subjects residing in Paris, the sum necessary for its discharge was brought by the Ministers as an item of the budget, and has been accordingly voted by the legislative body. I have tried to ascertain whether the purchasers were not agents employed by this government with a view to discharge the debt with a sum less than its amount. So far as I have been able to obtain information on that point, it appears that they were speculators and had purchased on their own account, and that the claim, though admitted, is not yet finally liquidated and paid. Through what influence they were enabled to obtain that in which the original foreign creditors had failed I am unable to say; but that they do possess such influence is certain, both from that fact and from the offer of 50 per cent. on the capital which they have made to Mr. Mertens for the Antwerp sequestrations.

As Baron Louis, when Minister of Finances, had rejected Mr. Parish's application for Mr. Gracie's claim on the ground of an order of the council of state for a transfer of the proceeds of the sequestered Antwerp cargoes from the caisse d'amortissement to the treasury, which order he considered as tantamount

to a condemnation, I was desirous to obtain a literal copy of it, in order to judge what foundation there was for that extraordinary inference. The enclosed copy of a decree dated at Trianon on the 5th of August, 1810, which has never been published, nor, to my knowledge, communicated to our ministers or government, was obtained through a private channel, and stated to be the order in question. On reading it, I was satisfied that could not be, since its 5th enacting clause confines its operation to American vessels which had entered French ports subsequent to the 20th March (probably May), 1809, the whole decree being indeed founded on the pretence of reprisals on account of the Act of Congress of that date, and the Antwerp vessels and cargoes having been seized in 1807. I am told, however, that there is another unpublished decree of July, 1810, applicable to those vessels, and of which Mr. Gracie hopes to obtain a copy.

But the Trianon decree was intended for the St. Sebastian, Amsterdam, and other cases of the same period. It is not a condemnation either in form or in substance; but it certainly announces the intention to condemn; it bears date the same day on which it was officially communicated to our minister that the Berlin and Milan decrees would be revoked on the first day of the ensuing November; and no one can suppose that if it had been communicated or published at the same time, the United States would, with respect to the promised revocation of the Berlin and Milan decrees, have taken that ground which ultimately led to the war with Great Britain. It is indeed unnecessary to comment on such a glaring act of combined injustice, bad faith, and meanness as the enacting and concealment of that decree exhibits; and I cannot suppose that it will ever be brought forward by this government for the purpose of repelling our claims to indemnity, especially as the grounds assumed for the measure are evidently mere pretences and altogether untenable. Yet when I first conversed, in 1816, with the Duke of Richelieu on the subject of our claims, he alluded to a statement prepared in his bureau for him, in which the Act of Congress of March, 1809, was mentioned as having afforded cause for reprisals.

The copy of the Trianon decree was given to a friend of Mr. Parish by the Duke of Bassano, then secretary of the council.

I enclose a Greek copy and a French translation of an appeal of the Greeks to the citizens of the United States.

I have the honor, &c.

[Enclosure.]

DÉCISION DU 5 AOÛT, 1810.

Vu le rapport ci-dessus fait au[1] conseil de commerce et des manufactures, d'où il résulte:

1. Que le gouvernement des États-Unis ne s'est pas borné par son acte du 1er mars, 1809, à ordonner qu'à dater du 20 mai suivant les bâtiments et marchandises françaises qui entreraient dans les ports seraient mis sous le séquestre, mais qu'il a ordonné la confiscation des dits bâtiments et marchandises:—

2. Qu'il a établi par le même acte que lorsque les communications avec la France viendrait à se rétablir, les confiscations continueraient à avoir leur effet:—

3. Que l'acte du 1er mars, 1809, a été mis en exécution toutes les fois que l'occasion s'en est présentée, non-seulement contre les marchandises, mais aussi contre les bâtiments français:—

Nous avons ordonné et ordonnons ce qui suit:

1. Les fonds provenants des ventes des marchandises américaines qui ont été effectuées jusqu'à ce jour, et dont le montant avait été mis en dépôt à la caisse d'amortissement, seront transportés au trésor public.

2. Les marchandises américaines qui sont mis sous le séquestre seront mises en vente, et les fonds en provenants versés au trésor public.

3. Les bâtiments américains sur le sort desquels il n'avait point été statué jusqu'à ce jour, seront également mis en vente et les fonds en provenants versés au trésor public.

4. Attendu que l'acte des États-Unis du 1er mars, 1809, ne contient aucune disposition contre les équipages de nos bâtiments, voulant toujours traiter les États-Unis aussi favorablement qu'il est possible, et n'usant qu'à regret du droit de représaille à leur égard, nous entendons que les équipages des bâtiments

[1] Peut-être "par le conseil." Note by A. G.

américains entrés dans nos ports ne soient point considérés comme prisonniers, mais soient envoyés dans leur patrie.

5. Les dispositions ci-dessus seront exécutées à l'égard de tous les bâtiments américains entrés et séquestrés dans nos ports depuis le 20 mars,[1] 1809, jusqu'au 1er mai de la présente année 1810, date de l'acte par lequel les États-Unis ont révoqué celui du 1er mars, 1809.

6. À l'avenir et jusqu'au 1er novembre prochain, époque fixée par la lettre de notre ministre des relations extérieures au plenipotentiaire des États-Unis pour la révocation de nos décrets de Berlin et de Milan (dans le cas où les conditions établies dans la dite lettre seraient remplies), les navires américains pourront entrer dans nos ports; mais leur déchargement ne pourra avoir lieu, à moins qu'ils ne soient munis d'une license signée de notre main, que sur un rapport fait en[2] conseil de commerce, constatant qu'ils n'ont pas été dénationalisés par leur soumission aux arrêts du conseil britannique, et qu'ils n'ont point contrevenu à nos décrets de Berlin et de Milan.

En notre palais de Trianon, le 5 août, 1810.

(Signé) NAPOLÉON.

GALLATIN TO J. Q. ADAMS.

No. 187.

PARIS, 26th September, 1821.

SIR,—I had the honor to receive your despatches numbered from 38 to 41 inclusive, and also No. 43. They were all transmitted, though not all at the same time, from Brest to the Minister of Foreign Affairs by Mr. Roth, who has not yet arrived here.

The despatch No. 42, which has not yet been received, related, it is presumed, to the negotiation with Mr. de Neuville, as there seems to be a chasm in your correspondence with him.

You have, as I had anticipated, taken rather different ground from mine in the case of the Apollon. They are not, how-

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[1] Probablement "mai." [2] Ou, "au."

ever, contradictory, and I was induced to assume that which I did principally from the tenor of my conversation with Mr. Pasquier, as he appeared to insist that whatever might have been the intentions of Captain Edou, or even the acts committed by him whilst off Amelia Island, the seizure of the vessel in a place not within the jurisdiction of the United States was a violation of the law of nations and an insult to the French flag. I incline to the opinion that their demand for reparation, if urged at all, shall be confined to that of indemnity for a private wrong sustained by an individual. For the justice of that claim Mr. Pasquier appeared to rely on the decree of acquittal by the court; but, Captain Edou having selected as a proper mode of redress a suit for damages against the seizing officers, there can be no difficulty in repelling an application for indemnity in another shape.

Your arguments on the main question, arising from the Louisiana Treaty, appear to me as perspicuous and conclusive as those of Mr. de Neuville are weak and unintelligible. But you have resorted to two collateral reasons, one drawn from the Constitution of the United States, the other from a distinction between the special and general favors which may be granted to other foreign powers, on both which I will beg leave, in a subsequent letter, to submit some observations to your consideration. The final proposal of Mr. de Neuville, to postpone that subject to a future negotiation, is the most favorable omen that has yet appeared of a disposition on the part of this government to come to some reasonable arrangement on the question of navigation.

I wish, more than from Mr. Pasquier's conversation I have reason to hope, that they will also treat that question by itself, and without mixing with it demands for a general diminution in the rate of duties on French produce or manufactures, or for any other alteration in the tariff than what applies to the subject under discussion. The complaints already made to the cortes of Portugal of the rate of our duties on Madeira wine are a proof of the inconveniences arising from any concession to any nation in that respect. Nor do I believe that this government would be satisfied with a fair reciprocity giving them no advan-

tage over either ourselves or other nations. I do not think that they would admit, as the sole condition, the principle that French produce and manufactures imported in the United States, and American produce and manufactures imported into France, should pay no higher duties than similar articles the produce or manufactures of other countries. To the proposal of laying a higher duty on China than on French silk manufactures, you had assented, on condition that the sale of American tobacco should be released from the monopoly of the Administration and be made common as all other articles. If this offer was intended as an indirect rejection of the French proposals, it would have the effect in view; but if seriously made, I must say that it was inadmissible on the part of France. It cannot be expected that she will subvert a system of imposition tested by experience, and which yields a net revenue of forty millions of francs. This government cannot, as is done in England, forbid the cultivation of tobacco within its territory. It is indeed limited to those Departments where it was found to exist, and, as a compensation for the restrictions under which it is necessarily laid there for fiscal purposes, the Administration is obliged to employ in the manufacture of the article five-sixths of domestic and only one-sixth part of foreign tobacco. It is this regulation which has so much affected our trade in that article with France, and reduced the consumption of tobacco of the United States here from 24 thousand hogsheads, as was the case before the Revolution, to about 5 thousand hogsheads of the same weight. Before the Revolution, as now, tobacco was cultivated in some provinces—Alsace, Flanders, &c.—which had been acquired by treaties; they were, with respect to revenue, considered as foreign, not being, on the one hand, subject to the monopoly of the general farms, as then called, whilst on the other their tobacco was considered as foreign in the residue of France, and not purchased by the farm because of very inferior quality. The abolition of all privileges and of every distinction between provinces, as well as of all internal custom duties from one to the other, has necessarily led to the present system of revenue on tobacco.

By that system, government, being the sole manufacturers of

tobacco and the sole sellers of the manufactured article, are of course the only purchasers either of domestic or foreign manufactured tobacco for home consumption. The cultivators must beforehand declare the number of acres to be planted; their crop is constantly watched, and the Administration has a right to purchase the whole or part of it at a fixed price, which leaves always a fair profit to the planter for the part thus sold. But he must necessarily export, unless he chooses to burn, what is not purchased by the Administration. In the same manner all the tobacco imported in France can, for home consumption, be sold only to government. When imported, it is deposited in public stores; and that is what is called the entrepôt. Whilst there, it may be freely and is very often sold to any persons, foreigners or French, who wish to speculate on the article. But it is never removed from the entrepôt but for exportation, unless when purchased by the Administration. Considered as a revenue system, it is perfectly well calculated for the object intended, and it affords sufficient protection to the cultivators. For if the monopoly was abolished and our tobacco freely introduced, the home cultivation would at once be prostrated, or at least greatly reduced. The proposal to substitute licensed manufacturers for the Administration was rejected, after a debate in which the whole subject was discussed with great ability; and we would have gained nothing by the change, as we would have been obliged to sell exclusively to those manufacturers for home consumption.

Reverting to the question of navigation, it is difficult to ascertain how far the limited and circuitous intercourse now existing presses on France; and yet it is on that pressure we must rely for an equitable arrangement. I am assured that the mercantile interest of Havre begins to be tired and to wish for an accommodation, although pride may prevent an open avowal of their wishes. Many French vessels continue to go to Louisiana, partly under an expectation that the American extra tonnage duty is contrary to the treaty and that the courts of the United States will decide in their favor. Adding to these those which come from foreign ports (out of Europe) with cotton of the United States, I have no doubt that they fall short of the

American vessels which bring produce to English and Dutch ports, imported afterwards in France, and that, compared to French vessels still employed in the trade with us, the balance, if I may so express myself, is in our favor. But the greatest part of our produce intended for France is, I apprehend, imported in British and other foreign vessels, sometimes owned, very often freighted, by French houses. They will not feel all the inconveniences arising from the present state of things until we shall have stopped that species of intercourse. With respect to the commodities consumed, I believe that France consumes the same quantity of our produce as heretofore, and that our consumption of French produce and manufactures has been considerably lessened.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 188.

PARIS, 27th September, 1821.

SIR,—I had the honor to receive your despatch No. 40, enclosing a copy of a letter from Mr. Connell, as agent for sundry insurance companies having claims on the French government.

I have some reason to believe that that gentleman's letter to you grew out of the communications made by Mr. Mertens to the persons interested in the Antwerp sequestrations. He was not, however, sanguine in his expectations of obtaining justice from the French government, since he wrote for the express purpose of obtaining the approbation of the parties for his intended sale of the claims to some French subjects, at a loss of about half the principal and all the interest. Mr. Mertens has informed me that he has obtained the consent of those parties, amongst whom the insurance companies represented by Mr. Connell must be included. I beg leave to refer to my former despatches on that subject, and to my correspondence with Mr. Mertens, which has already been transmitted to the Department of State.

Whatever may have been the source whence Mr. Connell de-

rived his information, he is certainly mistaken in thinking that there has appeared any symptom on the part of the French government to do us justice, even in the Antwerp cases, which are certainly amongst those against which it is almost impossible to raise any objection. The favorable inference he draws from the partial repayment to Hamburg, and from the admission of the claim of the Algerine Jews, is also, unfortunately, erroneous. I have already stated in a former despatch that this last claim had been recognized by a former treaty, notwithstanding which, and the evident solicitude of the government to cultivate friendly relations with the Barbary powers, it had not been admitted by the present government until after it had been purchased by a company of French speculators, the same who offer to purchase the Antwerp claims. With respect to the payment made to Hamburg, it was included amongst the cases embraced by the treaties of Paris of the year 1815. But, on account of the enormous amount of reclamations presented under those conventions, they were all reduced, either by virtue of private agreements, or, more generally, by decisions of the Duke of Wellington, who, by common consent, acted as an arbitrator to apportion the gross sum which France agreed to pay, and the four allied powers [agreed] should be received, in lieu of what she would have had to pay in consequence of the awards made by the several commissioners appointed by virtue of the treaties of 1815.

Both transactions were imposed upon France by superior force; the original treaties when she was invaded and half her territory occupied by the armies of the allies; the stipulated payment of a gross sum in lieu of the strict performance of those treaties, when an army of 100,000 men still occupied her principal fortresses; and this stipulation was made the express condition of their evacuation. I must add, and the observation has heretofore been made, that it would be extremely dangerous to refer to those stipulations and to the payments made by virtue thereof for precedents applicable to our claims. Of this the Duke of Richelieu was aware; and he drew an argument against us from the circumstance that, even in treaties which necessity alone had compelled France to sign, claims similar to ours had not been included, a certain class of vessels burnt at sea (not the

Dolly and Telegraph) only excepted. My answer to this remark is unconnected with the subject of this letter, and will be found in my correspondence of the year 1816.

These observations are made only in order to show that there are no new circumstances giving a more favorable aspect to the prosecution of our claims, or making this a more auspicious time than heretofore to urge their settlement. In one respect the present moment is unfavorable; the state of the pending negotiations on other subjects is not calculated to render this government more flexible on this; and there is some reason to believe that their principal object in pressing their newly-raised pretensions under the 8th Article of the Louisiana Treaty is to obtain an equivalent for its abandonment, either in commercial advantages, or in a relaxation of our demands for indemnity.

I will, as heretofore, be ready to seize any proper opportunity that may offer to urge the general question, and more particularly a decision with respect to the Antwerp claims, which are now separated from the others and specially under the consideration of the Department of Foreign Affairs. I can only press a decision, as, until some answer shall have been made by this government, I have nothing to add to the arguments urged, not only in my general application, but in my letters to that Department on that particular class. The manner in which the demand should be urged may also vary according to the final result of the negotiation pending at Washington.

Nothing could gratify me more than to bring the subject to some determinate conclusion before my departure: nothing is more easy than to write to this government, pressing our right to have, at all events, an answer; this mode could long ago have been pursued had I only consulted my own feelings; if, using the discretion left to me, I have waited for what might be considered a favorable opportunity, not to bring the subject before the present government and urge the justice of our claims (which has been repeatedly done), but to demand a final answer, it has been solely for the sake of the parties interested, and in order not to place their claims on still worse footing than they already are.

Mr. Gracie has not yet obtained, although he has the promise

of, a copy of the unpublished decree of July, 1810, by virtue of which it is suggested that the proceeds of the ships and cargoes sequestered at Antwerp were transferred from the caisse d'amortissement to the treasury.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 191.

PARIS, 23d October, 1821.

SIR,—I have the honor to enclose a copy of a note I addressed to Mr. Pasquier the 15th instant. It is much longer than I had at first contemplated; but as the result of the negotiation seemed to depend on the final instructions this government might now send to Mr. de Neuville, I thought it important to state fairly the question at issue, once more to refute the arguments used principally here in support of the high discriminating duties for which France still insists, and at the same time to point out, without committing my government, a mode which might have a chance of being acceded to on its part.

Discriminating duties on the value of the merchandise are undoubtedly the most favorable to the United States; but the basis proposed by Mr. de Neuville, and which you rejected, that of a similar reduction on both sides, preserving in each country the mode heretofore adopted by each, is, if the principle alone is taken into consideration without reference to the rate of duty, less disadvantageous to us than the other basis, founded on both sides on tonnage duties, of which you had given the option. In intimating, therefore, to Mr. Pasquier that if the rate of discriminating duties laid in France on the American navigation could be agreed on there would be no difficulty in settling the rate of duties to be laid in America on the French shipping, it was my intention to give a hope that if that first point was arranged, the principle of the basis proposed by Mr. de Neuville might perhaps be admitted. This would cost us nothing; and, if considered by this government as a concession on our part, may help them to extricate themselves from the situation in

which they are, and facilitate an accommodation. That, however, depends altogether on their disposition to agree to reasonable terms with respect to the rate of duty; and I cannot expect that they will make any communication to me on that point. It is their interest, in order that it may in that way reach you, to impress on me the opinion that they will adhere to a high rate. On that question, which appears to me the only important one, the rate of the French discriminating duties to which we can agree, you must ultimately decide, and our merchants and captains are the best judges of the extent to which we may accede. I have in my note to Mr. Pasquier fairly, though in civil terms, stated the two principal causes of the inferiority of the French navigation, viz., the obstinacy of government in keeping in force ancient and ridiculous regulations, and the total ignorance of maritime affairs of the ship-owners, particularly those residing in Paris. I might to these have added the indolent and expensive habits of the sea-captains and other officers. Those several considerations taken together certainly give us for the present a decided superiority; and I incline to the opinion that a reduction on both sides of the discriminating duties to one-fourth of the rate at which they stood before the late extraordinary tonnage duties would still leave us more than one-half of the navigation. You will find that the surcharge on our cotton imported in vessels of the United States would at that rate be about two centimes, or seven-twentieths of a cent, per American pound.

It is true that an agreement founded on this basis, or on any other short of a total abrogation of the discriminating duties, will give us but a nominal equality; and I think that if we can pass such laws as will restore it in reality, it would be much better to wait until this government had become disposed to make an arrangement on that principle. But they are aware of the difficulties which we have to encounter; they know that we cannot retaliate directly by discriminating duties either on the French articles imported or on the American products exported in French vessels. Extreme means, such as an exclusion of those vessels or a prohibition of French manufactures, would be too hostile. Yet that something must be done is evident. The

comparative statement contained in the latter part of my note to Mr. Pasquier shows the enormous difference now existing in favor of French vessels; and I annex the calculation on which it is founded. It is to be hoped that some efficient measures may be devised to counteract those adopted by France. No others have suggested themselves to me but a prohibition of the exportation of our cotton to American ports, and an increase of tonnage duty on the French vessels equal to the French surcharge of sixty-two to sixty-seven francs per ton, with a discretionary power to the President to increase it still further, so as to make always the duty equal to any rate to which this government might raise their own. I beg leave to observe that there is an error in your letter of 13th of August last to Mr. de Neuville. Alluding to my notes of 7th and 8th July, 1820, to Mr. Pasquier, you say that I had shown that the French surcharge, even if reduced to one-half, would still be nearly equal to the price of the freight: it was the whole of the surcharge, and not its half, that I had considered as equal to the freight.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 192.

PARIS, 13th November, 1821.

SIR,—The first time I saw Mr. Pasquier after he had received my note of the 15th October last, he mentioned that he intended to have a conference with me on that subject, and that he was collecting some materials that might enable him to discuss it. He repeated in substance the same thing a few days after, and added that he hoped to have it in his power to invite me to an interview within four or five days. I understood, though he did not say so positively, that that conference was to precede the decision of this government on the final instructions to be sent to Mr. de Neuville. A fortnight has, however, elapsed without my hearing further from Mr. Pasquier. In the mean while an ordinance has been issued continuing till the 1st of April next the premium on the importation by French vessels of cotton

from American entrepôts. This being only a continuation of the existing state of things, it may be inferred that the project of increasing the difference of duty between the importations from American and European entrepôts has been abandoned. What may be the dispositions of this government on the main question I cannot conjecture; but it appears to me that the irritation arising from that cause has subsided, and will at least no longer form an obstacle to the discussion of our reclamations for indemnities. The ambassador of Russia continues to appear anxious that an arrangement may take place, and, as he speaks to me about it on every opportunity which offers, I presume that he holds a similar language to this government.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 193.

PARIS, 15th November, 1821.

SIR,— . . . I also enclose the copy of an extract of the unpublished decree of the 22d of July, 1810, by virtue of which the proceeds of the sequestered American property, including that seized at Antwerp, were directed to be paid into the treasury and applied [to] public purposes. It appears to be that, the substance of which at least was known to Baron Louis, the former Minister of Finances, and on which he founded his opinion, as communicated to Mr. Parish, that the property was definitively condemned. But although that decree, which is only a supplementary budget without legislative interference, and refers exclusively to matters of finance, must necessarily be in the possession of that Department, it seems that, not having a precise recollection of the details, they have not thought of looking there for the order in question, and that supposing that there must have been a special decree for that purpose, which they cannot of course find, since it does not exist, they have not been able to furnish the Department of Foreign Affairs with the copy which has been repeatedly asked for. Mr. Rayneval, the Under-Secretary of State, who is to make a report on Mr. Parish's

memorial, and on my letter to Mr. Pasquier of the 9th of May, 1820, which accompanied it, assured me not long ago that the want of that document was the only cause of the delay, and that he really believed that there was no such decree. I had not then the enclosed extract, and, as it has been obtained confidentially from the Duke of Bassano, I am not authorized to communicate it to this government even if it was thought proper to do it. So far as relates to the mere question of right, it cannot certainly be affected by the decree; but one of the principal grounds on which I have been able to separate the Antwerp claims from all others without injuring these is, that not only the claimants had not violated any of the unlawful decrees of Bonaparte, but that their claims were not affected by any subsequent act of his, and it would, therefore, be more convenient not to have to encounter any argument, however fallacious, which may be drawn from that source. This inconvenience would have been altogether avoided, and the order of July, 1810, would probably never have been alluded to, had it not been for the unfortunate application of Mr. Parish to the Department of Finances.

Having, upon the whole, reason to believe that the report of Mr. de Rayneval cannot be unfavorable, and that the dispositions of this government are rather more friendly than during the last fifteen months, I have concluded to press the subject at this time, and gave to Mr. Gracie a letter of introduction for Mr. de Rayneval, copy of which is enclosed. This gentlemen has, in a first interview, appointed another for the 19th instant, in which he has promised to state whether there was any objection, and, in his opinion, any necessity for my writing another official letter to Mr. Pasquier. You will see, by referring to that which I had written on the 9th of May, 1820, and which has not yet been answered, that it would be difficult at this stage of the business to adduce any new arguments, and that it is more eligible to wait till the objections are stated before an attempt is made to enforce and illustrate the ground which has already been taken.

I must add that, besides the motives just stated, I had another cogent reason to urge a decision at this time. You are already

in possession of my correspondence with Mr. Mertens, and several circumstances which have lately come to my knowledge have impressed the belief that an extensive speculation was on foot for the purchase of our claims, and that persons whom I had not heretofore suspected might be concerned in it. I hope that my last letter to Mr. Mertens has already arrested the plan, and I will now be able to act in concert not only with Mr. Gracie, but also with Mr. John Connell, of Philadelphia, who arrived here two days ago, and who has powers of attorney from the insurance companies for a considerable portion of the claims arising from the sequestered cargoes consigned to the former house of Mr. Ridgeway, at Antwerp. There were in the whole seven sequestered there, four of which were consigned to his house and three to that of Mr. Parish. I have not seen the accounts of sales, but have been told that the amount exceeded four millions of francs.

I have the honor, &c.

[Enclosure.]

EXTRAIT DU DÉCRET DU 22 JUILLET, 1810.

ART. 1.

Seront versées dans la caisse des douanes pour le compte du trésor public, et affectées au service des exercices 1809 et 1810, les sommes provenantes:

1. De la vente des cargaisons américaines saisies à Anvers.

2. De la vente des cargaisons américaines remises par la Hollande.

3. De la vente des cargaisons des bâtiments américains saisis dans les ports de l'Espagne.

4. Du produit des saisies faites par la ligne des douanes en Hollande, et de celles qui seront faites par la même ligne, déduction faite de $\frac{2}{6}$ pour les troupes et les préposés, etc.

10. De la vente des bâtiments américains, ottomans et neutres, qui seront saisis dans les ports de la Méditerranée et de l'océan.

ART. 2.

. . . Les autres produits ci-dessus detaillés, seront portés en recette comme produits extraordinaires des douanes affectés au service de 1810, etc., etc.

GALLATIN TO J. Q. ADAMS.

No. 194.

PARIS, 16th November, 1821.

SIR,—I received last evening a note from Mr. Pasquier inviting me for this morning at ten o'clock to a conference, from which I have just returned.

He read to me some observations on my letter to him of 15th of October last, tending to show by very vague, and in some respects incorrect, assertions that ship-building and provisions were dearer in France than in the United States; that the wages of seamen were equally high; and that from their habits the maintenance of French sailors on board was also more expensive than that of the Americans. The article of wine was the only one which appeared to me to make a difference in that respect.

He also attempted to show that taking in our four principal articles of exportation to France, cotton, tobacco, rice, and potash, the old French surcharge did not amount to much more than 60 francs per ton. I pointed out at once the error of the calculation, arising from their having supposed that a ship carried only at the rate of 500, instead of 800, kilogrammes of tobacco per ton.

He then said that the difference between the two governments might be considered as that between a reduction of that surcharge to one-half, as proposed by Mr. de Neuville, and the reduction to one-fourth, as proposed by you; and that the question was whether any middle ground could be agreed on, each government receding in part from that which had been taken by each. I observed to him that I had already stated in my letter that you had not proposed a reduction to one-fourth, but at least one-fifth, of the old French surcharge, since your proposition of a duty of $1\frac{1}{2}$ per cent. on the value could not be estimated at more than a tonnage duty of 13 francs per ton. But he was under the impression that your other proposal was to agree to a tonnage duty of three dollars per ton. I insisted that you had by that proposition offered only a duty of $1\frac{1}{2}$ dollars, and, as he could not at the moment recur to the copy

of your letter of 3d of August to Mr. de Neuville, we were obliged to postpone the discussion until he had ascertained the fact. You will at once perceive that if the principle of a mutual receding from the ground heretofore taken is assumed, it is important to insist that your proposal did not go beyond what I have stated.

As it was suggested in the course of the conversation that an arrangement might perhaps be concluded here, I stated explicitly that at the time when the negotiation was carried on here my instructions did not authorize me to propose anything beyond a mutual complete abrogation of all the discriminating duties; that the conciliatory proposal to agree to a reduction had been made at Washington; that I knew nothing more of the final intentions of my government in that respect than what appeared on the face of those proposals; and that even if I was disposed to agree to any modification of them, it would be on my own responsibility, and without being able to give any assurances that such modification would be ratified.

But the conversation turned principally on the cases of the French vessels taken on the coast of Africa by the Alligator, Captain Stockton, and sent to the United States for adjudication on the pretence of their being concerned in the slave-trade. Mr. Pasquier said that there was a fatality attached to our affairs, which tended perpetually to impede an arrangement by throwing in the way incidents of the most irritating nature. He then expressed himself with uncommon warmth on the cases in question. The seizure of vessels under the French flag at a time of general peace was, he said, a flagrant and intolerable violation of the law of nations. Such pretension, if insisted upon by the United States, must necessarily be resisted. If it was only the unauthorized act of a sea-officer, it should have been immediately disavowed, the vessels restored, and reparation made. A reference to courts of justice was altogether improper and useless. France could not recognize the right of the tribunals of any country, not at the time a belligerent, to take cognizance of such cases. And, since it was the act of an officer of the United States, there could be no pretence for a trial before a court, and government might and

ought at once to have ordered an immediate restitution. The capture itself, he also said, was indeed an act of piracy, and the parties concerned, some of whom had by the recapture of the vessels fallen into the hands of the French authorities, might with justice have been tried as pirates.

Knowing nothing of the facts but what had appeared in the newspapers, and so far as these went the whole proceeding being altogether unintelligible to me, and the seizure of these vessels appearing unjustifiable in itself and in flat contradiction with our refusal to agree to the proposal of England on the subject of the slave-trade, I avoided touching the main question otherwise than by saying that it was probable that the vessels had been seized as being really American, fitted in American ports, and owned by American citizens, and having surreptitiously obtained French papers. But there were other insinuations, which I repelled with as much warmth as they had been made. I told Mr. Pasquier that a pirate was he who acted without a commission from any government, and that an officer of the American navy might commit a wrong, for which redress could be obtained from his government, but never could or would be treated or considered as a pirate by any nation whatever; that without at all affirming that the cases in question came within the description of those of which the United States had a right to take cognizance, the assertion he had made was too broad, and that, on the same principle by which belligerent powers were in certain cases authorized to send in for adjudication and to try neutral vessels, cases might also occur, such as that of presumed piracy, which would in time of peace justify the seizure of vessels though apparently protected by the flag and papers of any nation; that there was no reason to complain of a reference to courts of justice, whose decision, whatever it might be, could not shelter our government from any just complaint against the conduct of its military or naval officers; that it must be perfectly immaterial to a foreign government whether, in conformity with our institutions, we preferred that mode to that of an administrative inquiry; that we would think it highly desirable could we find a similar remedy in France for injuries of a similar nature long since sustained, and for which

the Administration had given no redress; and that, at all events, the temporary absence of the principal officers of the United States from the seat of government sufficiently accounted for the delay complained of.

I give nearly the substance of what was said, but not at all in the order in which it was said; for the conversation was extremely desultory, and there were several interruptions. Much of its warmth must, however, be ascribed to the national character; and it ended in an amicable manner. As I was taking leave, Mr. Pasquier requested me to write to you on the subject and to state how much irritation and mischief was produced by incidents of that kind. He said that he had a few days ago a meeting of persons (I understood eminent merchants) on the subject of an arrangement of our commercial affairs, to which, he was happy to say, they appeared very well disposed; but that they had expressed themselves with great heat on that occurrence, saying that it was impossible to know to what extent the Americans intended to carry their pretensions.

No mention was made of another incident which has lately taken place at Pensacola, but which tends to strengthen that feeling, and has been a subject of animadversion in other quarters. I have attempted to defend it by a recurrence to the fact that the Spanish authorities had, in 1803, carried away the archives of Louisiana contrary to the treaty; but permit me to say that, unless the military and naval officers of the United States are kept within proper bounds, our reputation of being the supporters of the principles of the law of nations will be lessened, and our friendly relations with other countries will often be inconveniently affected.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 196.

PARIS, 24th November, 1821.

SIR,—Mr. Pasquier invited me to a new conference, which took place this morning.

After some explanations respecting the tenor of your proposition to Mr. de Neuville, and the quantity of tobacco which a vessel usually carries per ton in the trade with France, on both which points Mr. Pasquier acknowledged that he had been led into errors, and seemed to agree nearly with my statement, we came to the main question, that of the mutual reduction of the discriminating duties heretofore imposed by each country to which it might be possible to agree.

I said that if I had been intrusted with a discretionary power on that point, which was not, however, the case, I would not certainly have agreed to a higher rate than one-fourth part of the duties now existing; and he stated that, although willing to go farther than Mr. de Neuville had proposed, he could not instruct him to agree to so great a reduction. The discussion which ensued consisted in little more than a repetition of the facts and arguments heretofore urged on both sides.

Mr. Pasquier finally observed that if no agreement was made, France would recur to more efficient measures than those heretofore adopted for the purpose of securing to her navigation the importation of American products, and that her Act of Navigation, which has, it seems, never been repealed, would be enforced in order to exclude British and other foreign vessels from participating in that trade. I reminded him of what had already been so explicitly stated in my letter of the 15th of October last, that the difference now existing between French and American vessels, between American and European entrepôts, was already enormous; that it was hardly possible that it should be submitted to any longer by the United States; and that if it was either increased directly, or brought into practical operation by the exclusion of foreign vessels, measures would most undoubtedly be immediately adopted to counteract the plans of France, either by forbidding the exportation of cotton to American entrepôts and by increasing the tonnage duties on French vessels, or by other means as efficient.

As Mr. Pasquier agreed that if this was done, and if both countries carried to the utmost this species of commercial warfare, it must end in a complete annihilation of the commerce between them, I took the liberty to represent to him that this

event, however it might affect the United States, would be far more injurious to France. I observed that if she consumed instead of repelling our grain and other provisions, which we had the means of raising to a much greater extent than there was demand for them, the loss of her market would be sensibly felt; but that she took of our produce only what was indispensable for her wants and manufactures, or for which we could always find another market. Having reduced her consumption of foreign tobacco to the smallest possible quantity, and to that which was indispensable to enable her to manufacture that of her own growth, she took of course only the strongest and most valuable qualities of ours, for which it was well known that there was no substitute anywhere else. France would either directly or indirectly purchase the same quantity of that article of our growth, whatever restrictive measures might be adopted with respect to navigation. As to potash, the whole quantity made everywhere was hardly equal to the demand, and was not susceptible of any increase. If France purchased that of the Baltic instead of ours, the only consequence would be that what we had been in the habit of selling to her would be sold to Great Britain or other countries. The same remark would apply with nearly the same force to our rice, and with this addition, that it was of a superior quality to that of the growth of any other country. And with respect to cotton, the great article of American importation in France, an article so much wanted that its consumption had, notwithstanding the obstacles to the commercial intercourse, considerably increased last year, where would she find a substitute? The whole of her system of spinning and manufacturing was founded on our cotton, and must be altered before the attempt was made. The supply from the Levant, already insignificant, must be still more reduced on account of the state of that country. The Brazil cotton, very valuable for some manufactures, could not replace ours in others without affecting the quality and increasing the price. From India alone could a large supply be obtained; and supposing that the French manufacturers should learn how to clean and spin the cotton of that part of the world, still, its inferiority to ours was acknowledged, and it could not be imported to ad-

vantage even by the nations who know how to use it, except when, on account of a bad crop in America or of an extraordinary demand in Europe, the cotton of the United States rose much above its average price; that is to say, when the French market was no longer wanted to consume the surplus of what we raised. It was, in a word, utterly impracticable for France to exclude that article without materially injuring her manufactures, both with respect to quality and price, without renouncing every expectation to compete abroad with Great Britain and other nations, and without increasing the contraband importation in France of British goods, which even now could not be prevented to a considerable amount. But if France could not exclude our produce, she could with great facility lessen by her measures the consumption of the products of her soil and industry in the United States. It was only gradually and with difficulty that the habit of French wines was introduced there. For her brandies substitutes could be found in Spain, in West India rum, and, above all, in the increased use of spirits distilled from our own superabundant supply of grain. The danger of our using China instead of French silk stuffs, the most valuable of the exports of France to the United States, was acknowledged; and even the English manufacturers of silk were on the eve of coming in competition with theirs in foreign markets. We now at least, and for the first time, consumed a considerable quantity of French produce and manufactures, and equal in value to the articles of our own growth consumed by France. If the interdiction of our navigation continued, this last amount would not be considerably lessened, whilst our consumption of French merchandise would naturally and necessarily almost entirely cease.

What effect these remarks may have produced it is impossible for me to say; and amongst the persons on whose advice the Ministry relies in this instance there are some who are not perhaps sufficiently acquainted with the subject to understand or foresee the consequences of the system they have recommended. I have urged every argument and stated every fact which appeared material, and do not expect that anything more will at this time pass between this government and me in that respect.

Mr. Pasquier gave me to understand that he would immediately prepare his instructions to Mr. de Neuville, and send them probably by the way of England.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 197.

PARIS, 27th December, 1821.

SIR,—The elections made under the last law having brought into the chamber of deputies a majority belonging to that portion of the royalists who have heretofore been designated by the name of Ultras, a total change of Ministry has taken place. From the time of my arrival here there had not been, notwithstanding several partial changes, any material alteration in the system of policy pursued by government. But the men now appointed, though selected amongst the most moderate of their own party, are of a different cast, and, unless controlled by the state of the country and by public opinion, would be disposed to adopt another course of measures, so far as relates to the internal administration of France.

There has not yet been time to ascertain what may be the views of the new Ministers towards the United States. I believe that Mr. Pasquier had completed the instructions intended for Mr. de Neuville, and that they have been sent. To me Mr. de Montmorency, the new Minister of Foreign Affairs, has only spoken in general terms, expressing his wishes that the differences might be accommodated, and his great confidence in Mr. de Neuville. To others he has said that the negotiations pending with the United States were the most important affair belonging to his department, and that he was earnestly endeavoring to understand it thoroughly. I will in a few days ask him for a conference, and am in the mean while preparing a note on the subject of the Antwerp cases. This would have been sent sooner had I not been obliged to wait until the parties had supplied me with the necessary facts. There are still some impor-

tant particulars on which I have not been able to obtain all the requisite information.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 200.

PARIS, 14th January, 1822.

SIR,—I have the honor to enclose the copy of a note which I wrote on the 10th instant to the Minister of Foreign Affairs on the subject of the Antwerp claims.[1]

The sales of the cargoes in question, including the estimated value of the potash and pearlash previously taken for the use of the War Department, and deducting the cotton sold to Fillietaz, for which compensation has already been made, amounted to near five millions of francs. The claim of Fillietaz appears to have been liquidated in the following manner. The sixth part was deducted from the principal; a reduction which was, as I understand, common to all the claims of the subjects of the Netherlands, the amount allowed under the convention of 1818 for that object not being sufficient to pay the whole of the claims which were admitted. For the five-sixths remaining, 5 per cent. stock was given, at the rate of 75 per cent. on its nominal value (which is precisely the same thing as if stock had been given for the claim without deduction at the rate of 90 per cent.), bearing interest, I think, from the 22d of September, 1818. The market price of stock when delivered (April, 1819) was about 67; it is now about 85 per cent. The price of foreign produce was so high in 1810, when the sales took place, that it brought from 100 to 200 per cent. advance on the prime cost. The claimants would therefore, notwithstanding the loss of interest and other deductions, be well compensated if their claim was admitted and liquidated on the same principle as that of Fillietaz.

The only other claims within my knowledge, with respect to

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[1] This note will be found in American State Papers, vol. v. (Foreign Relations) pp. 301–306.

which there has been no final condemnation either by the council of prizes or imperial decisions, are, 1st, the vessels and cargoes seized in 1810 at St. Sebastian and other Spanish ports in the possession of France, under color of reprisals for the Act of Congress of 1st March, 1809, and the sales of which amounted to about seven millions of francs; 2dly, four vessels and cargoes seized in Holland at the same time and under the same pretence, and which were delivered to the French government; with the amount of the proceeds of the sale of these I am not acquainted. These two descriptions and the Antwerp cargoes make up the sequestrations, the proceeds of which were directed by the decree of the 22d July, 1810, to be paid in public treasury; 3dly, the vessels burnt at sea before the Berlin decree and subsequent to the revocation of that and of the Milan decree; and the value of which is not ascertained, but is not believed to be considerable. There were three burnt after the revocation of the decrees, besides the Dolly and Telegraph; and four in 1805 by Admiral Lallemand. These last four and cargoes were valued at 627,000 francs, and, as the other neutral vessels burnt at the same time have been paid for under the convention of Paris, it is probable that the claim would be admitted if this government was not afraid of the precedent it would establish in favor of our other reclamations.

The claims for the sequestrations of St. Sebastian and Holland differ from that for the Antwerp cargoes, not as respects substantial justice, but in that, 1st, the first took place by virtue of, or were sanctioned by, a special decree (that of Rambouillet), and were made under color of reprisals; and, 2dly, the secret decree of the 5th of August, 1810, transmitted in my despatch No. 186, and the expression, confiscated, used in the Duke of Cadore's letter to Mr. Armstrong of the 12th September of the same year, may afford an additional pretence to this government to say that the property was definitively condemned by that of Bonaparte. It is not, of course, my intention, in a despatch addressed to you, to state the obvious answers which may be made. My object is only to point out the objections which may, and probably will, be raised. With respect to the pretence of reprisals, it is sufficient to say that the Act of Congress of the 1st of March, 1809,

was prospective, forbidding, after the 20th of May following, a certain intercourse, and affixing the penalty of confiscation in case of disobedience, whilst the Rambouillet decree was retrospective in its enactments and in its application. But, as that ground will principally be resorted to, as, indeed, the Duke of Cadore says expressly in his letter above mentioned that, as to the merchandise confiscated, the principles of reprisal must be the law in that affair, it would be important to ascertain whether, in point of fact, any one French vessel was actually confiscated for a violation of the Act of 1st of March, 1809. I presume that information may be obtained by addressing two circulars,—one to the clerks of the district courts, and one to the collectors of the customs.

But there are two grounds which have been or may be taken, and to which, as they would operate as a bar to all our claims, it was necessary particularly to attend. For that reason the suggestion that a payment in the treasury was tantamount to a condemnation was refuted at large in the enclosed note, and every fact collected which could bear on the subject. I could not answer directly in the same manner, and by arguments drawn from the law of nations and from the acts of this government, the other ground, which has been distantly hinted but not positively asserted, that the King's government was not answerable for the acts of that of Bonaparte. But it is with that in view that I have alluded to the manner in which the arriéré has been paid, and to the indubitable fact that the existing government did continue to enjoy the benefit arising from the proceeds of the sequestered cargoes. This consideration, and the arguments to show that the payment in treasury was not a condemnation, are as applicable to the sequestrations under the Rambouillet decree as those of Antwerp.

I thought it expedient to speak tenderly of the conduct of the Minister of Finances (Gaudin, Duke of Gaëte) when the vessels arrived at Antwerp, because he has still some influence, is still employed as president of the bank, and may be called on by the present Ministers for explanations. But in saying, in another part of the note, that Baron Louis was not inconsistent with himself, and might, even in 1814, have considered the Antwerp

cargoes as confiscated, I had less for object to soothe his feelings than to anticipate the objection which might be made,—that, in the report alluded to, the proceeds of the American sequestered cargoes were not enumerated amongst the deposits for which government was still responsible.

Although I have enumerated all the cases within my knowledge where actual condemnation had not taken place, I must add that it is possible that some vessels captured, and probable that some burnt at sea, whilst the Berlin and Milan decrees were in force, have not yet been definitively condemned. But there can be no expectation that indemnity will ever be obtained either for those or in any of the cases where there has been such condemnation. From all the documents I have yet seen, I do not believe that the amount of this last-mentioned class, after deducting the cases where the destination of the vessels was concealed, enemy's property covered, or which generally might afford plausible grounds of condemnation, can exceed two millions of dollars in value. The Danish prizes and the vessels and cargoes seized at Naples are not included in that estimate. The amount of sequestrations and vessels burnt at sea, where no condemnation has taken place, may be estimated at about three millions of dollars. This last estimate cannot be far from the truth, since we know the amount of the two largest claims,—the St. Sebastian and the Antwerp sequestrations. The answer which this government may give to my last note will show whether we have anything to expect from its justice in any case whatever. For, if the Antwerp claim is rejected, there can be no expectation that they will voluntarily allow any other.

I have understood indirectly that the sufferers under the St. Sebastian sequestrations had made application to be paid out of the five millions of dollars allowed by the treaty with Spain. The government of that country had nothing to do with that transaction, which was the result of a French decree executed by French authorities in a part of Spain exclusively occupied and governed by France. And I apprehend, as the slightest pretences are resorted to, that the application may injure the claim here.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 203.

PARIS, 28th January, 1822.

SIR,—I had yesterday a conference with the Minister of Foreign Affairs on the subject of the Antwerp claims. In the course of it I referred him to my letters to one of his predecessors of the 9th November, 1816, and of the 22d of April, 1817: to the first, in order that he might have a general view of the nature and extent of our claims; to the other, for the purpose of showing both the cause of the delay which had taken place on that subject, and that we had always considered the reclamations for the property sequestered and not condemned to be of such nature that the claims ought to be liquidated and paid in the ordinary course of business, and did [not] require any diplomatic transaction. I then stated that although our commercial difficulties might have justly claimed the more immediate attention of the two governments, yet there was this difference between the two subjects, that the last was only one of mutual convenience, each party being, after all, at liberty, though at the risk of encountering countervailing measures, to regulate its own commence as he pleased, whilst the question of indemnity for injuries sustained was one of right. In this case we demanded justice, and [I] was sorry to be obliged to say that, notwithstanding my repeated applications during a period of near six years, I had not been able to obtain redress in one single instance for my fellow-citizens; an observation which applied not only to cases which had arisen under the former government of France, but also to wrongs sustained under that of his Majesty. Such result could not escape the notice of my government, and had accordingly been complained of in the most pointed manner in the instructions I had from time to time received. There was indeed an aggravating and most extraordinary circumstance with respect to the applications relative to injuries sustained under Bonaparte's government. Not only had I failed in obtaining redress, but I had not even been honored with an answer. It could not be concealed that such a course of proceedings on the part of France had a tendency to

impair the friendly relations between the two countries, and might have an unfavorable effect even in the discussion of other subjects. I therefore earnestly requested that he would immediately attend to the reclamation now before him, and no longer delay the decision which we had a right to expect.

Viscount Montmorency at once answered that he had read the papers relative to the Antwerp sequestrations, and that he was struck with the justice of the claim. He regretted, he added, that the settlement of this reclamation should have fallen on the present Ministry; that a decision had not taken place in the year 1819; that such an objection as that complained of had at that time been raised by the Minister of Finances. This candid declaration was made, he said, in full confidence that I would understand it as an opinion formed on a first impression, and as being only his individual opinion. He had not yet conferred on the subject with the Minister of Finances or his other colleagues, which he promised to do without delay, and to lay the subject before the King as soon as possible. Speaking of our claims generally, he alluded to the hardship that the King's government should be made responsible for all the misdeeds of Bonaparte; an observation to which I did not think necessary to answer, as he spoke only of the hardship of the case, and did not assert that the obligation did not exist. So far as I could judge of his intention, it was that something should be done at present that might soothe our feelings; and I do not believe that he would be disposed to go at this time beyond the Antwerp claims. I think, indeed, that if they could separate Mr. Parish's from Mr. Ridgeway's reclamation, which appears altogether impossible, they would grant indemnity only for the cargoes which had been consigned to the first house. It must be admitted that the subject is extremely unpopular with all parties, and that there will probably be a difficulty in obtaining the necessary appropriations from the legislative body. . . .

I have also the honor to enclose two memoirs of Mr. Delagrange in American cases pending before the council of state, which show the pertinacity with which the administration of the Douanes continue to insist, notwithstanding the decision in the case of the Eagle, that a sequestration is tantamount to a con-

demnation. Whether it is on account of that decision, or because, as asserted to me by the Under-Secretary of State in the Department of Foreign Affairs, they have not been able to find out the decree of 22d of July, 1810, that in this instance they insist on the sequestration instead of the payment in the treasury, I cannot say, and is not very material. The case of Faxon stands by itself, and I enclose the supplementary memoir in his behalf, principally on account of another most arbitrary decree of Bonaparte, dated 3d of October, 1810, which was altogether unknown to me. Had I had it when I wrote my long note of 10th of January last to the Minister of Foreign Affairs, I would have quoted it as an additional proof that when Bonaparte intended to confiscate, an express clause to that effect was inserted in the body of his decrees. The 10th Article of the treaty with Holland also shows that, at least at that time, he had not made any final decision on the American property sequestered, and that its fate was to depend on the political relations with the United States.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 204.

PARIS, 29th January, 1822.

SIR,—The conference I had on the 27th instant with the Minister of Foreign Affairs being devoted to the consideration of our claims for indemnity, our commercial difficulties were mentioned only in an incidental way. I inferred from what [was said] that Viscount Montmorency had not yet thoroughly investigated the subject, and he informed me that he had only confirmed the instructions previously transmitted or prepared by Mr. Pasquier. But from the manner in which he stated the King's anxiety that this subject should be settled, I am induced to believe that he is really fatigued with that state of things—a disposition of which, if it does exist, I will not fail to avail myself in case the instructions given to Mr. de Neuville should prove insufficient, and the subject should be sent back here. It

will be essential in that case that your ultimatum should be communicated to me.

As, the instructions being already transmitted, nothing could at this moment be done here, I ascribe to the same cause (to the King's intentions) the repeated overtures made by Montmorency to Marbois, to obtain his opinion and perhaps his interference in the affair. This being mentioned to me by Mr. de Marbois, I communicated to him the substance of the last rejected proposals respectively made by you and by Mr. de Neuville, and my note of the 15th October last to Mr. Pasquier; and addressed also to him the letter of which copy is enclosed. He has appeared to me perfectly satisfied that our proposals ought to be accepted.

I must observe that this gentleman is the same alluded to in a former despatch as having suggested to me that we ought to make some concessions. I now learn that he and Mr. Laforest were consulted in 1820, when Mr. de Neuville was here, on the subject of the view which that gentleman had taken of our affairs; that they were both opposed to him, particularly as related to Louisiana, although his advice prevailed; and that the object in view in insisting on the preposterous construction of the 8th Article of the Louisiana Treaty was to obtain for a limited term of years a prolongation of the privileges granted by the 7th Article of the same treaty. This will explain why one of the Ministers, who was Mr. Lainé, did suggest to me, as mentioned in the same despatch, the propriety of our agreeing to such stipulation.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 206.

PARIS, 1st February, 1822.

SIR,—I had the honor to receive your despatch No. 45, which has been a longer time in reaching me than usual.

In a letter dated, I think, in September last, the copy of which is mislaid, I had communicated my intention of return-

ing home next spring. But I must acknowledge that the situation in which the American claims are now placed, and the possibility that the negotiation relative to a commercial arrangement may be sent back here, make me now desirous of continuing here some time longer, rather than to return without having, notwithstanding my earnest endeavors, succeeded in any one subject which had been intrusted to my care. If the President shall have acted in consequence of my said letter, which was not, I believe, received at the date of your despatch No. 45, there will be no disappointment, as it was of course what I had expected. But if, as that despatch states, he shall have postponed his nomination of a successor until my answer to it should have been received, I will avail myself of his kind offer and remain here some time longer. In either case I request you to have the goodness to present my acknowledgments to him for this new proof of his continued confidence. I also beg, on account of the uncertain situation in which I will in the mean while remain, that you will be kind enough to let me know the result as soon as possible. . . . I have anticipated in my former despatches nearly all that I might have to say in the case of the Apollon. The ground which I took was that which, after my conference with Mr. Pasquier, appeared best calculated to produce an impression here and to discourage the intention of continuing to make it a national affair. In incidents of this kind, when more importance has been attached to them than they really deserve, time is, after all, the best remedy. Still, I do not think that the view I had taken of the subject was contradictory to that taken by you or by the President in his message. It is not asserted that we had a general right to make a seizure of a foreign vessel in an adjacent foreign province, but that the seizure was justified not only by the circumstances of the case, but by the peculiar situation in which we stood with respect to that part of the province where the seizure was made. The actual possession of Amelia Island and the nearly contemporaneous order issued by the Treasury were most important facts in relation to that situation. The inference I drew from those facts was conclusive if it could be supported; if erroneous, it did not impair the other arguments drawn from

that relative situation, which had been urged by you and were already in the possession of this government.

Mr. Pasquier never returned any answer to my note of 28th June last.

GALLATIN TO J. Q. ADAMS.

No. 207.

PARIS, 2d February, 1822.

SIR,—Viscount Montmorency, in the conference I had with him on the 27th ult., alluded, but in a very mild manner, to the capture by the Alligator of the French vessels on the presumption that they were engaged in the slave-trade. He appeared satisfied with the explanation I gave as to the course pursued in the affair, that of bringing it before courts of justice, but expressed his regret that the captain had again sailed on a cruise.

I did not think proper to allude to a fact which had come to my knowledge, that the British ambassador had made a few days ago a remonstrance to this government with respect to one of the prizes of the Alligator, retaken by the crew and carried to Guadeloupe, whence she is said to have sailed again for Africa with the American crew on board, and to have brought back a cargo of slaves to Guadeloupe. The information indeed is said to have been obtained from yourself, and having nothing from you on the subject was a sufficient reason for not mentioning it. But I found that Viscount Montmorency felt some uneasiness on account of the charges brought generally by England against France for conniving at the slave-trade contrary to the obligations of their treaty. He asked me, and he said he did not put the question to me as to a minister, whether I thought that the trade was carried on to the extent stated in Great Britain, and whether, in my opinion, it was necessary, in order effectually to prevent that evil, to assent to the measure proposed by Great Britain, to allow the cruisers of either nation to capture vessels of the other engaged in that trade.

I answered to his first question that I believed the accounts to be exaggerated, that I could not think that sixty thousand Africans were still carried annually to America; but that I had

no doubt that the trade was still carried on to a very great extent; that American vessels and capital were probably employed in it (which had been the true cause of the captures made by the Alligator), but in a much less degree than either the Spanish, Portuguese, or French, and that the sales were undoubtedly connived at in the colonies of France.

With respect to the second inquiry, I observed that no nation was more jealous than the United States were of the pretensions of Great Britain on the subject of maritime rights; and I took the opportunity of stating the nature and magnitude of the injuries we had sustained by the unwarranted seizure of our seamen on the high seas under the pretence of their being British subjects. The government of the United States had heretofore refused to accede to the proposal of Great Britain. Yet such was the anxious wish that that trade might be effectually stopped, that a committee of Congress had proposed that some measure similar to that proposed by England might be adopted. How far this might be the expression of a general feeling, or whether a practicable plan could be devised that should be consistent with national rights, it was not in my power to say. But I would acknowledge that unless something of that kind was done, and unless all the European governments united in forbidding and by every means in their power preventing the trade, it appeared impossible completely to suppress it.

If France felt disposed to make an arrangement with Great Britain on that subject, there was a point on which, since he had asked my opinion, I would beg leave to call his attention. The government of the United States had principally objected to the new principle that such cases, supposing the capture to be permitted, should be tried before a mixed tribunal. I believe that we never would agree that the property and, above all, the persons of our citizens should, for any presumed violation of our own laws, be tried by a foreign or mixed tribunal. This was repugnant to our Constitution, but not less so to the rights of every independent nation, inconsistent with the protection that every government owed to its citizens or subjects, and liable to numberless abuses. If any agreement, therefore, was made, it appeared to me indispensable that, exclusive of every other

restriction, it should be made an express and absolute condition that the vessel and crew that might be captured should in every instance be sent to the country under whose flag they sailed or to which they belonged, and be exclusively tried by the tribunals of their own country. Viscount Montmorency appeared struck with those observations.

Although I have thought it my duty to communicate what passed on that occasion, I do not believe that there is at this time any disposition on the part of France to make an arrangement with Great Britain on that subject. I much doubt their being in earnest in suppressing the trade; and I am certain that the attempt to do it through the means of a convention with that country would be generally unpopular. For the treaty by which France has agreed to forbid that traffic has already the appearance of having been compulsory, and they are already sufficiently mortified by that circumstance, and by the repeated remonstrances which that treaty gave a right to the British government to make against the infractions of the law.

I have the honor, &c.

GALLATIN TO MONROE.

PARIS, 4th February, 1822.

DEAR SIR,—I answered two days ago Mr. Adams's letter of 6th November, and beg leave to reiterate the expression of my sense of your continued confidence and friendship. I wrote hastily, and did not do justice to my real motives for wishing at this moment to continue here some time longer. They are very far from being purely personal; but, thinking I saw a better prospect than heretofore to succeed in the arrangement of our various reclamations and of our commercial relations, I felt that my intimate knowledge of the subjects in question, and the experience I have acquired of the machinery of this government and of the men employed, might enable me, better than a new minister, to take advantage of any favorable circumstances. But, after having explained the cause which has produced a

change in my resolution, I must add that I am perfectly aware that you may have acted on my letter of last summer, and that although a nomination to the Senate of a successor may not, on receipt of this, have taken place, yet such tenders of the office, arrangements, or other preliminary steps may have been made or taken as would render it improper or inconvenient not to make a new appointment. I beg you, in that case, to consider my last answer to Mr. Adams as if it had not been written, and I only request the favor of an immediate answer, in order that I may make arrangements accordingly either for staying or returning.

I have also written to Mr. Adams the substance of a conversation on the slave-trade. Referring to this and to the modifications there suggested, I beg leave to submit an observation to your consideration. The total suppression of that traffic has become such a popular topic in England that the Ministers are compelled to follow the stream, and to use everywhere every possible endeavor to obtain from other nations their assent to some measure tending to produce the desired effect. It seems to me, therefore, that if it was once judged convenient and practicable so to restrict and modify an arrangement on that subject with Great Britain as to render it consistent with national and private rights, it would not be impossible to obtain, in consideration thereof, some favorable adjustment of other concerns. The extension of our northern boundary—the 49th degree of latitude—is but of secondary importance; but our commerce with the British West Indies is an object of immediate and great interest. You have concluded to have, in that respect, all or nothing. All we will ultimately obtain: we have now nothing; and I think that we do not by that sacrifice hasten in any degree the time when we shall obtain everything we want. The sacrifice is, in the mean while, very great. I do not allude to the representations from Norfolk, but to the general depression of the price of provisions, particularly grain, which affects the whole country from James River to Vermont, and which, the accident of bad crops in Europe excepted, nothing can relieve but a free intercourse with the West Indies. That no permanent relief can be expected from the European market appears

demonstrated. The mean price of wheat in France does not exceed, and has not for some years much exceeded, a dollar per bushel. In some districts it is less than three-fourths of a dollar. In England the price is only 40 per cent. higher. In both countries the corn-laws prevent the importation nine years out of ten. The markets of Portugal and Spain will grow every day worse for us. An arrangement with Great Britain, founded on the basis she had offered, would give us a free market in their West Indies for our provisions, instead of carrying, as we now do, our flour to England to be thence re-exported in British vessels to her islands, thereby lessening the consumption and reducing the price below the cost of production and freight. That arrangement would also secure us at least one-half of the navigation employed in the intercourse between those islands and the United States. I think it therefore worthy of consideration to examine whether it might not be proper, taking that proposal as a basis, to attempt (in case an arrangement respecting the slave-trade is thought practicable) to obtain modifications in it which would render it admissible; that is to say, that Great Britain should abandon the collateral conditions attached to her proposal (non-permission to export sugar, right without reciprocity to favor her provisions in the West Indies, &c., &c.) for the sake of making the agreement which they so earnestly wish on the subject of the slave-trade.

Mrs. Gallatin requests to be affectionately remembered to Mrs. Monroe. We have all heard with great satisfaction that your health was restored. I request you to accept the assurances of my high respect and sincere attachment.

Your most obedient servant.

GALLATIN TO J. Q. ADAMS.

No. 208.

PARIS, April 23, 1822.

SIR,—In several conversations I had with Viscount de Montmorency on the subject of the Antwerp cases, he always evinced a sense of the justice of the claim and a disposition that indem-

nity should be made. But I have not yet been able to obtain an official answer, and, finding that objections, which were not distinctly stated, were still made by the Department of Finances, I asked Mr. de Montmorency's permission to confer on the subject with Mr. de Villèle, in order that I might clearly understand what prospect there was of obtaining justice. This was readily assented to, and I had accordingly an interview yesterday with that Minister.

I found that Mr. de Villèle had only a general knowledge of the subject, and had not read my note of 10th January last, to which I referred him, and which he promised to peruse with attention. It appeared, however, to me that, although he was cautious not to commit himself, he was already satisfied, from the inspection of the papers in his Department, and without having seen my argument, that the claim was just, and that the ground assumed by Baron Louis in his letter to Mr. Parish was untenable.

His objections to a payment of the claim at this time, supposing that on a thorough investigation it proved to be just, were the following:

1st. There were no funds at his disposal from which the payment could be made; and it was absolutely necessary that an application should be made to the Chambers for that purpose: a demand which would be very ill received, as it had been generally supposed that France was relieved from every foreign claim of that description.

2dly. Such was [the] amount of wrongs committed by Bonaparte, and the acknowledged impossibility that France could repair them all, that all the European powers, although with arms in their hands and occupying a part of the country, had consented to receive, as a payment in full, a stipulated sum which fell very short of the amount of their claims. The payment thus made by France had therefore been in every instance the result of an agreement (une transaction) founded on equitable principles and on an abandonment on the part of the foreign powers of a considerable part of their claims. It appeared to him impossible that an application for funds could be made to the Chambers for the purpose of satisfying American claims, unless it was also the result of a transaction of a similar nature.

3dly. Even in that case the engagement to pay any sum at this time for that object would, for the reasons already stated, and for many others arising from the change of government, appear extremely hard. The only way to render it palatable was that it should be accompanied by the grateful information that our commercial difficulties were arranged in a satisfactory manner; he regretted, therefore, extremely that the discussion of the two subjects had been separated, one being treated in the United States and the other here; and he asked whether it was probable that the result of the negotiation at Washington would be known at Paris before the next session of the Chambers, which is to take place in June next.

I must say that these observations did not appear to be made with an intention of throwing new obstacles in the way of an adjustment of our claims, but for the purpose of stating the difficulties which this government would have to encounter in any attempt to effect that object. It was not the less necessary to reply [to] suggestions thus made; and I observed, with respect to the delays which had taken place, that they were to be ascribed solely to the French government. It was in consequence of the determination of the Duke of Richelieu, and I referred to my letter to him of the 22d of April, 1817; it was against my opinion, and notwithstanding my strong remonstrances, that the subject had been postponed and that provision was not made for our claims at the same time as for those of subjects of European powers. But I had taken care to remind the Duke of Richelieu, when the communication for the last object was made to the legislative body, that the American claims were not included in the settlement; and he had accordingly expressly stated in that communication that the sum to be voted would discharge France from all demands on the part of the subjects of European powers. This was so well understood that a subsequent grant of seven millions had been voted for the purpose of discharging the Algerine claims. Ours alone remained unsettled; and the Chambers must have expected, and could not therefore be astonished, that an application for that object should also be made to them.

As to the propriety of a convention for the general adjustment

of the claims of American citizens, I informed Mr. de Villèle that this was precisely what the United States had asked; and I referred him to my note of the 9th of November, 1816, which to this day remained unanswered. The extraordinary silence of the French government was at least a proof of its reluctance to adopt that mode of settlement; and there was an intrinsic difficulty in what he called a transaction. The United States could have no objection to a partial admission and reimbursement of the claims of their citizens; but they would not, in order to obtain that object, sacrifice other reclamations equally just, and give that general release which France was desirous to obtain in consideration of that partial payment. Under those circumstances, it was a natural and perhaps a more practicable course to press a settlement of those claims which it might be presumed she intended ultimately to pay. To repel this, on the plea that a convention embracing the whole was a preferable mode, was an untenable position so long as our overture having the last object in view remained unanswered.

After having expressed my sincere wishes that an arrangement of our commercial difficulties might soon be effected, and having shown from a recapitulation of what had taken place at the time that the transfer of the negotiations for that object to Washington was owing to the French government, I stated that there was no connection whatever between that and the subject of our claims, and that even when discussed at the same place they had always been treated distinctly. Our reclamations were of much older date, and, not to speak of the former government of this country, they had since the restoration been pending for near four years before any discussion of our commercial relations had commenced. I was ready to acknowledge that it would be at any time an unpleasant duty for his Majesty's Ministers to be obliged to ask funds for the purpose of repairing the injuries sustained during a former period by the citizens of a foreign nation; and I was sensible that the task would be more easy after the settlement than during the existence of other difficulties. But justice, and our perseverance, on which he might rely, required that the duty, however unpleasant, should at some time be performed; and I was the less disposed

to acquiesce in new and vexatious delays on the ground alluded to, because the result of the negotiation was very uncertain. The delay in that respect was also solely due to the French government. They had thrown great obstacles in the way of an arrangement by blending other subjects with that immediately to be attended to. Afterwards they became sensible, in the latter end of September last, that it was necessary to send new instructions to Mr. de Neuville. I had in the month of October made every representation and given all the explanations which could be necessary. Yet the instructions to Mr. de Neuville were not, as I understood, sent till late in January, and had not yet, I believed, been received on the 12th of March. The success of the negotiation depended on the nature of those instructions, with which I was not acquainted. If they produced no favorable result, the consequence would only be that the commerce between the two countries would be lessened and flow through indirect channels, probably to our mutual loss and to the profit of the British manufactures and navigation. But, however this might be lamented, it was only a question of policy. Each of the two nations had a right to regulate her commerce as in her opinion best suited her interest. But with respect to our claims it was a question of right, the consideration of which ought not and could not be abandoned or postponed, even if the commercial relations should continue to be less extensive and less advantageous than they had formerly been or might again become in case a satisfactory arrangement respecting the discriminating duties was made. Whether the result of the negotiation could be known here in June it was of course impossible for me to say.

Mr. de Villèle, having taken memoranda, and promised [to] read the notes to which I had alluded, asked me whether there was any difference between Mr. Parish's claim (meaning the three vessels consigned to his house) and that for the four other Antwerp ships; to which I answered most decidedly in the negative. He then, having the decree of 22d July, 1810, before him, inquired in what consisted the difference between the Antwerp claims and those for other property sequestered and embraced by the same decree, viz., the St. Sebastian seizures

and the vessels given up by Holland. I answered, none whatever in substance, and that the reason why a specific application was made for the Antwerp claims alone in my letter of 10th of January last was that having already demanded indemnity for all the claims in my note of 9th November, 1816, the claimants who relied on the exertions of their government to obtain redress had generally thought it unnecessary to make separate applications. Mr. Parish, however, being on the spot, had urged a special decision in his case, and my government having, for the reasons already stated, acquiesced in that course, the Antwerp claims were in that manner first presented to the consideration of that of France. But I had expressly stated in my note that this was not in any way to be construed as an abandonment of other claims equally just, although their features might not in every respect be precisely the same. Between the Antwerp and the other claims for property sequestered and not condemned I knew none but merely nominal differences. The St. Sebastian vessels and cargoes had been seized and sold under an untenable and frivolous pretence, that of retaliation, to which a retrospective effect had been given. The Antwerp cargoes had been seized and sold without any pretence whatever being assigned for it. In neither case had a condemnation taken place. In both cases we had always claimed restitution or trial before the ordinary competent tribunal. The right to ask for such trial was in both cases derived from the law of nations, and it was for the Antwerp cargoes also founded on positive treaty stipulations.

Mr. de Villèle then said that he intended to shut up that abyss the arriéré, to ask from the Chambers in June the funds necessary for that purpose, and to pledge himself that the sum asked for that purpose would be the last, and would be sufficient to discharge every species of arrears without exception. He had not, he said, sufficiently examined the subject of our claims to give any decisive opinion, but he believed, at all events, that a reasonable indemnity for what had not been definitively condemned was the maximum of what could or should under any circumstances whatever be expected; and even for that he did not mean to commit himself: indeed, the decision belonged to

another Department, but he would wish to know, for the purpose above mentioned, what was the aggregate of our claims for property of the last description.

I answered that this was a subject on which I had not sufficient information. I knew indeed generally, but not officially, that the sales of the property included in the decree of 22d July, 1810, amounted to more than fourteen millions of francs; but on that point the records of his own Department would give him the most precise information. Of the value of the vessels burnt at sea I had not any correct estimate. There might be other cases as yet unknown to me which would fall under the same description (of property not condemned). And, upon the whole, I had not in the present stage of the business attended to details of that kind, having been exclusively employed in pressing on the French government the justice of our claims, and having left for a subsequent discussion what related to their amount. I added that he must be sensible that I would not take any step which might be construed into an abandonment of the claims for property unlawfully condemned. He immediately answered that our conversation was not at all official, that he expected nothing of that kind or that would commit me, and he wanted only a rough estimate to guide him in his calculations. But he must say that the amount of sales was not in his opinion the proper basis of a liquidation. It was well known that the continental blockade had raised foreign produce to an extravagant rate, and we could not claim an indemnity for the advance arising from that cause.

I replied that, although I did not intend at this time to enter on the subject of liquidation, it was proper to remind him, 1st, that Bonaparte had, immediately before the sales, laid such extraordinary duties on the property already in port and sequestered that, whilst the Bayonne sales for the property seized at St. Sebastian amounted to about seven, the duties exceeded eight millions, so that the portion of the advance to which he alluded had already been detained by the treasury in the shape of duties; 2dly, that even allowing interest to the claimants would not compensate for the loss arising from the detention of the capital for such a number of years.

It is not as yet possible for me to conjecture what effect the view which Mr. de Villèle seems to have taken of the subject may have on the decision of the present Administration, in which he has very justly a great weight. But should the decision be to open a negotiation for a general settlement of the claims, it may become necessary for you to transmit instructions on the various points with respect to which they had been asked in my despatch No. 67, of the 27th April, 1818.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 209.

PARIS, 26th April, 1822.

. . . The recognition of the independence of the Spanish-American provinces by the United States was rather unexpected, as the message of the President at the opening of the session had led to suppose that it would be postponed another year. I think, however, that it is not generally unfavorably received, and this principally on account of the hatred of all the governments against that of Spain. Great Britain of course likes it, and will be glad of a pretence to do the same thing substantially, though probably not in the same fair and decisive way. The other lesser maritime powers have the same feelings. Russia has now other objects to engross her attention. The continental powers are indifferent about it. For the feelings and opinions of this government I think I may refer you to the last numbers of the Journal des Débats, on the subject both of Mr. Zea's note and the report of Congress on the President's message. It was not my fault that that note was not better drawn. The Ministers have not mentioned the subject to me, but Monsieur, who always expresses himself in a very friendly way towards the United States, told me that he apprehended the "moral" effect of our recognition on the revolutionary spirit of Europe. I observed that ours was only the declaration of a fact; that this fact, which was undoubtedly a very important political event, was simply that America, having acquired the power, had deter-

mined to be no longer governed by Europe; that to this, when it had taken place, we must necessarily have given our sanction; that we had done it without any reference to the form of government adopted by the several provinces; and that the question, being one of national independence, was really altogether unconnected with any of those respecting internal institutions which agitated Europe.

I have the honor, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 13th May, 1822.

MY DEAR SIR,—It is now nearly two years since I have received a letter from you. Your last was dated about the 30th of August, 1820.

The negotiation between France and the United States, which has been carried on here for two years past, concerning our commercial relations, is likely to terminate successfully. I know of nothing which will probably prevent it, unless our determination to support every officer of the government in violating the orders, laws, and Constitution of the government and nation should oppose an insurmountable obstacle to it. Captain Stockton, of the Alligator, has seized a number of French vessels, under the French flag, with French papers and French officers, and crews, at least, not composed of American citizens; yet we have tendered no satisfaction to the French government for this outrage upon their flag and upon the principles which we stoutly defend against England. A disposition to discuss has always characterized our government; but until recently an appearance of moderation has marked our discussions. Now our disposition to discuss seems to have augmented, and the spirit of conciliation has manifestly been abandoned by our councils. We are determined to say harsher things than are said to us, and to have the last word. Where this temper will lead us cannot be distinctly foreseen. We are now upon bad terms with the principal maritime states, and perhaps on the brink of a rupture with Russia,

on account of the prohibition to trade with the North-West coast beyond the 51st degree of north latitude and to approach within 100 Italian miles of the islands on the Asiatic side. I have labored to restrain this predominant disposition of the government, but have succeeded only partially in softening the asperities which invariably predominate in the official notes of the State Department. If these notes had been permitted to remain as originally drafted, we should, I believe, have before this time been unembarrassed by diplomatic relations with more than one power. The tendency to estrange us from all foreign powers, which the style of the notes of the State Department has uniformly had, has been so often demonstrated, yet so often permitted, that I have almost given up the idea of maintaining friendly relations with those powers. But of late another embarrassment, no less perplexing in its tendency, has arisen. *Our Mars* has intuitive perceptions not only upon military organization, but upon fortifications and other military subjects. These intuitions of his have involved the President in contests with both Houses of Congress. He has contrived to make them those of the President instead of his own. A state of irritation prevails which greatly exceeds anything which has occurred in the history of this government. The Secretary of War is now, in the estimation of the public, lord of the ascendant. Certain it is that every appointment in Florida was made without my knowledge, and even the appointments connected with my own Department have been made without regard to my wishes, or rather without ascertaining what they were.

It is understood that an impression has been made upon the mind of the President that the rejection of the military nominations by the Senate has been effected by my influence.

I have known this for nearly two months, but have taken no step to counteract it, and shall take none, because I believe it will not be injurious to me to remain in this state, or even to be removed from office.

The latter, however, is an honor which I shall not solicit, although I do not believe it would be injurious to me in a political point of view.

You will perceive by the newspapers that much agitation has

already prevailed as to the election of the next President. The war candidate, as Mr. Randolph calls him, is understood to be extremely active in his operations, and, as it has been said by religious zealots, appears to be determined to take the citadel by storm.

An impression prevails that Mr. A.'s friends, in despair of his success, have thrown themselves into the scale of his more youthful friend, lately converted into a competitor. You will have seen that Mr. Lowndes has been nominated by the South Carolina Legislature, or rather by a portion of it. This event, as well as the present course of the Secretary of War, it is believed, may be traced to the election of Governor Clark, of Georgia. This gentleman is personally my enemy. He was elected in 1819 in opposition to Colonel Troup by a majority of 13 votes. In 1821 he was opposed by the same gentleman. Mr. Calhoun, Mr. Adams, and Mr. Lowndes had conceived the idea that if he should be re-elected the electoral vote of Georgia would be against me. He was re-elected by a majority of two votes. Calhoun and Lowndes had through the year favored Mr. A.'s pretensions; they found, however, that it was an up-hill work. Considering me "hors du combat," and finding Mr. A. unacceptable to the South, each of them supposed that the Southern interest would become the property of the first adventurer. Mr. C. had made a tour of observation in Pennsylvania, whilst Mr. L. kept watch at home. When the result of the Georgia election was known, Mr. C. threw himself upon Pennsylvania, and Mr. L., who had remained in South Carolina until after the meeting of its Legislature, was nominated by a portion of it to the Presidency.

A conference took place between them, but no adjustment was effected, as each determined to hold the vantage-ground which he was supposed to have gained. The delusion as to Georgia has passed away; but Mr. C. cannot now recede, and entertains confident hopes of success. Pennsylvania he calculates upon, as well as upon many other States. Mr. Clay is held up by his friends, but has not taken any decided measure. I consider everything that has passed as deciding nothing. Everything will depend on the election of Congress, which takes place this

year in all the States except Virginia, North Carolina, and Tennessee. My own impression is that Mr. C. will be the Federal candidate, if his name is kept up. If he should be put down (and I think he will be, especially if Pennsylvania should declare against him), Mr. Adams will be the Federal candidate. Mr. Clay will be up if Pennsylvania, Virginia, or New York will declare for him. At present there is not much prospect of either.

The stockholders of the Bank of the United States are becoming restive under the low dividends which they receive. A decided opposition to Mr. Cheves will be made the next year. I understand that many of the stockholders are for placing you at the head of that institution. I know not whether you wish such an appointment. The election of governor comes on next year. Many persons are spoken of for that office. Bryan, Ingham, Lowrie, and Lacock are among the number, and some intimations have reached me that if you were here you might be selected. Ingham is connected with Mr. Calhoun. The others are unfavorable to his views.

Present my respects to Mrs. Gallatin and every member of your family.

I remain, dear sir, your sincere friend, &c.

GALLATIN TO J. Q. ADAMS.

No. 216.

PARIS, 13th June, 1822.

SIR,—The conference I had on the 18th ultimo with Viscount de Montmorency on the subject of the American claims turned principally on the difficulties which this government would find in effecting an arrangement with us. The result of a free conversation on what was practicable seemed to be that a definitive agreement was preferable to a partial payment, and that the choice must, in that respect, be between the two following modes: either the payment of a stipulated sum in full discharge of the demands of the United States for spoliations, and to be distributed by their government, or a reference of the

whole case to a joint commission, which, in case of disagreement, would refer the disputed points to a sovereign chosen by the two governments. Mr. de Montmorency appeared inclined to the last mode. I would prefer the first if we could agree on the sum and I was instructed to that effect. I am also inclined to think that the American claimants, who, from the few applications made, seem to have considered their case as desperate, would be pleased with an arrangement on that basis. Although Mr. de Montmorency appeared to continue to be personally well disposed, he did not conceal that there were objections in the council of ministers; and he stated, a few days after, that they were inclined to postpone the subject until the result of the negotiation at Washington was ascertained. I concluded, nevertheless, to insist for an answer to my last note, being satisfied that it would not amount to a rejection, which would have committed hereafter this government, and that there would be some advantage in obtaining something more than verbal from them. The answer of the 1st instant was accordingly received, copy of which is herewith enclosed. We had so many accounts of a near prospect of an arrangement being on the eve of being concluded between you and Mr. de Neuville that I waited a few days before I made a reply; but, having now heard of the adjournment of Congress without any convention having been made, I this day have made the answer, of which I have the honor to enclose a copy.

It will be difficult for this government, after the silence observed in Mr. de Montmorency's answer, ever to say that the King is not responsible for the acts of Bonaparte, or to make any other equally general objection against the claims. But you will perceive that, if the question respecting discriminating duties was arranged, they might still, on the ground now assumed, refuse to consider that of indemnities until their claim under the Louisiana Treaty was also arranged; and the allusion to certain French reclamations is also of bad omen. I had supposed that nothing more was meant than the Beaumarchais claim and that which may be made for the Apollo; but I have been informed that within a few days researches are made of old claims for lands in Louisiana, amongst which the most worthy

of attention is that of Marquis Lauriston, one of the present Ministry, a lineal descendant of Law, for a large concession at the time of the Mississippi scheme.

In the budget which has just been presented, application is made for an additional credit of more than 61 millions of francs to pay off the balance of the arriéré. No mention is made of our claims; but I think that enough is asked to enable government to pay a sum about equal to the amount of claims for property sequestered and not condemned.

I have had the honor, since the date of my last letter, to receive your despatches Nos. 46 and 47, and have accordingly made arrangements for a longer stay here; but you see that it is very doubtful whether my endeavors with this government will prove more successful than heretofore. Permit me to request again instructions on the subject of an arrangement for our claims on the basis of the payment of a gross sum, in case the proposal should be made. I think myself sufficiently authorized to make a convention for the appointment of a joint commission on the basis above stated. With respect to the French reclamations, there would perhaps be no objection to refer Beaumarchais' claim, provided our citizens' claims for contracts were also included.

I have the honor, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 26th June, 1822.

MY DEAR SIR,—On the 24th inst. a commercial convention was signed by Mr. Adams and Mr. de Neuville. It is published in the Intelligencer of this day. If it is permitted to operate a few years, all discriminating duties will cease. I am, however, apprehensive that it will not be permitted to produce this effect.

The importations during the year ending the 31st of March last have greatly exceeded those of the preceding year. Notwithstanding the price of breadstuffs has considerably increased

during the last six months, I am persuaded that the importations greatly exceed in value our exportations.

The pacification of the civil war, which for the last ten or twelve years has existed in Spanish America, has invited to commercial speculations in those regions which have tended to swell the amount of our importations. Much of the foreign merchandise which has been imported and is still importing will, it is presumed, be reshipped to those markets. Until returns can be had from these shipments, pecuniary embarrassment to a considerable extent will be felt in all our commercial cities. If those returns should not answer the expectations which have been cherished, failures to a considerable extent may be expected in the course of the year.

The receipts from the customs for the two first quarters of the year will be about $8,000,000, and probably an equal amount may be received in the third and fourth. If this amount shall be realized, we shall be able to pay off a part of the $2,000,000 of six per cents. of 1820.

The prospect of a war in Europe and the renewal of commerce, or rather the extent of commercial speculations now in train, have probably in some degree prevented subscriptions of six per cent. stock in exchange of five. This may, however, be attributed to the provisions of the Act itself, as the exchange may be made at any time before the 1st of October next. By delaying the subscription for a quarter, one-quarter of one per cent. is saved, and the uncertainty which still rests upon the question of war between Russia and Turkey will be removed. The relative prices of six and five per cent. stock still warrant the expectation that the exchange will be effected.

In my last letter I suggested the probability that the presidency of the Bank of the United States might be offered to you if you were in the United States at the time of the next election. Mr. Cheves has informed me confidentially that he will resign his office about the latter end of this year. He will declare this intention when the next dividend shall be declared.

If the place is acceptable to you, there is, I think, no obstacle in the way but your absence. If you are disposed to accept it,

it will be proper for you to authorize your friends to say so. I have understood that the stockholders are desirous of having the president from among their directors. To this the government can have no objection, except that it will probably be injurious to the institution. Circumstances have occurred, and still exist, that make the bank exceedingly unpopular in many parts of the United States. It needs the countenance and support of the government to enable it to repel the acts of hostility which are continually directed against it. So long as the president is a government director, the attacks made upon the bank will to ordinary understanding be considered as made against the government. If, however, the stockholders should be at all tenacious on this point, they will find no obstacle to the gratification of their wishes on the part of the government.

As the commercial convention with France has been agreed upon, and as I understand that all the indemnity which will probably ever be obtained will have been obtained before you receive this letter, all inducement to a longer residence in France is at an end. Independent of the office to which I have referred, that of Governor of Pennsylvania will be disposed of next year. If you intend to engage in any way whatever in the concerns of this country after your return, I think you ought to be here during the next autumn. I believe there is no disposition in any party to re-elect Heister. The schismatics, who with Binns opposed Findlay at the last election, are desirous of uniting with their former friends in the next election. It is understood that they are desirous of bringing you forward; and I presume the great body of the party will meet them upon this subject. Ingham will be supported in caucus by those devoted to F.; but that, I believe, is only a small part of those who supported him in his last effort. Bryan, the late auditor, Lowry, and Lacock are spoken of; but no commitment has taken place, except by Ingham and his friends, who, it is understood, wish to connect that question with the election of Mr. Calhoun as President. The other gentlemen are understood to be decidedly opposed to the pretensions of the latter gentleman.

Mr. de Neuville will be able to give you many details upon our local politics, with which he is pretty well acquainted.

The collision between the President and Senate upon certain military nominations has very much soured his mind, and given a direction to his actions which I conceive to be unfortunate for the nation as well as for himself. I hope, however, that a better state of feeling will, after the first irritation has passed off, be restored and cherished on both sides. The public seems to have taken less interest in this affair than I had expected. Two or three criticisms have appeared in the Intelligencer upon the conduct of the Senate; but they have attracted but little attention in any part of the Union.

The controversy which is going on between Mr. A. and R., and in which you are made a party, has attracted considerable notice, and will probably continue to command attention. You will readily perceive that the object of the party was less to injure Mr. A. than to benefit another, by placing him in a conspicuous point of view, and especially by showing that Western interests could not be safely trusted to persons residing in the Atlantic States.

I believe it is the wish of Mr. de Neuville that Count de Menou should remain here some time as chargé d'affaires, and perhaps eventually to succeed him. The Count desires it very much himself, and I believe no person more acceptable to the government could be sent. I understand that the President will write to you on this subject. I believe we are principally indebted for the commercial convention to the friendly disposition of Mr. de N. for this country. He has certainly had the arrangement of the difficulty much at heart, and I hope will continue to interpose his good offices to render permanent the provisional arrangement, with such modifications as experience may render necessary. If you can consistently with propriety further the views of those gentlemen upon this occasion, you will confer a particular obligation upon me.

My family have suffered much by bilious fever for the last twelve months. I have myself suffered much, and am now in a state of suffering from that cause. Through the whole spring we have had several of the family confined by it. To regain

our wonted health I shall set out with my family for Georgia the 5th of next month, and shall not return before the 1st of October, when I hope to hear from you. Mr. Erving has lately returned, but brought me no letters. He is now in Boston.

Present my respects to Mrs. Gallatin and to the other members of your family, and accept the assurance of the sincere respect with which I have the honor to be your most obedient servant.

GALLATIN TO J. Q. ADAMS.

No. 222.

PARIS, 10th July, 1822.

SIR,—In the hasty answer (No. 206) which I had the honor to make to your despatch No. 45, I briefly stated the reasons which had induced me to think that the view which I had presented to the French government of the case of the Apollo was not incompatible with that taken by you on the same subject. On a more attentive perusal of your despatch, I perceive that you also consider it as doubtful whether the ground which I had assumed could be maintained by the fact. I presume this must allude to the position which, in my letter of 28th June, 1821, to Mr. Pasquier, I had assigned to Bell's River and to the pretended port of St. Joseph's. This at least seems to me to be the only fact, not notorious, which is asserted in that letter. For the assumption that our jurisdiction was extended to that spot by the act of taking possession of Amelia Island and by the order of the Treasury of May, 1818, is only an inference from the presumed fact, an inference which may be erroneous, and must rest on the arguments adduced to support it.

With respect to the presumed position of Bell's River I may have been mistaken, as I had no map where that stream was designated, and had never heard of it before. Yet I would not have ventured on the assertion on which the whole argument rested, had I not had the strongest reasons to believe it correct; and these I beg leave, in my own justification, to state.

Mr. Clarke, the consular agent at Savannah, in his letter of

14th September, 1820, to the collector of St. Mary's, informs him that a Spanish port of entry is established on the west side of Bell's River, an arm of St. Mary's. In his private letter of 15th September (in possession of the government of the United States) he says that the port of St. Joseph's lies on the west side of Bell's River (an arm of St. Mary's River), at Low's plantation on the main, situated about midway between the town of Fernandina and St. Mary's; entrance by St. Mary's bar; a good depth of water up Bell's River by the way of the harbor of Fernandina. In his letter of 29th September to A. Argote Villalobos, he pretends that the reason why the government of the United States had, after taking possession of Fernandina, compelled all vessels entering those waters to enter and clear at this custom-house, was because the Spanish government had no port of entry above; and, in the same letter, he alleges as a reason why there was no necessity to move the Apollo from Bell's River, that the battery of Fernandina and four armed vessels in this harbor (St. Mary's) might have stopped her departure to sea.

From these statements, made by Mr. Clarke himself, I thought it perfectly correct to state in my letter to Mr. Pasquier that "the spot where the Apollo was seized, and where she had proceeded after having anchored for some days opposite Fernandina, was higher up within the said harbor, on the southern side of St. Mary's River, in an inlet of the same called Bell's River, and about midway between the Spanish town of Fernandina and the American town of St. Mary's." It was the mouth or entrance of Bell's River in that of St. Mary's which I had understood Mr. Clarke, and which I intended to designate, as being midway between the two towns. This might have been expressed with more precision; but I transcribed Mr. Clarke's expressions, and, however understood, it does not affect the argument.

Considering the fact as established that the pretended port of St. Joseph's was situated on an arm or inlet of St. Mary's River, above the town and fort of Fernandina, I attempted, in my letter to Mr. Pasquier, to prove from our possession of the only Spanish fortified place in the harbor, from the motives which had induced us to take possession, and from the order of the Treasury of May, 1818, that the United States had at that time taken actual posses-

sion of all the waters of St. Mary's, and, amongst the rest, of the spot where the Apollo was seized. This was only an inference, and the argumentative part of the letter. But permit me to add an observation relative to the order of the Treasury.

It directs the collector to enforce the revenue laws upon all vessels entering the river St. Mary's, without regard to the side of the river in which they may anchor, and declares that those which may thereafter arrive must be considered as within the jurisdiction of the United States and subjected to the revenue laws in every respect.

When the collector wrote on the 26th August, 1820, on the subject of the Apollo, that vessel was still anchored opposite the town of Fernandina; and I have always been at a loss to understand why he should have hesitated at that time to enforce the order with respect to her, a course which would have saved us the trouble of this discussion. But he added that it had been represented to him as the intention of the captain of the ship to proceed beyond the town of Fernandina, and further within the waters of the province.

The answer from the Treasury of the 9th September, 1820, was, that the Secretary of State had been consulted on the case of the French ship alluded to, and that he was of opinion that it was embraced by the Treasury instruction of May, 1818. The collector, on receipt of this answer, seized the ship in Bell's River, where she had in the mean while proceeded.

As this answer of 9th September established no new principle, gave no new instructions, and only declared the case of the Apollo to be embraced by the former instructions of May, 1818; as the collector did not consider the removal of the ship to Bell's River as altering the question, and as his conduct was approved, I naturally concluded that you had considered the original order of May, 1818, as embracing the case and authorizing the seizure; and, having taken myself precisely the same view of the subject, I thought that to enforce it by every argument in my power was not only not inconsistent with the ground you had taken, but, in fact, supporting that on which the seizure had been authorized. It is true that the ground I assumed was different from yours, in that you had not carried, in your correspondence

with Mr. de Neuville, the consequences following from the possession of Amelia Island and from the order as far as I have, and in that I omitted resorting to arguments drawn from other sources, which you had already exhausted, and which I had reason to believe would not remove the irritation felt by this government. But I did not think that in so doing I had assumed a ground incompatible with that taken at Washington; and I still hope that you will find that there is no substantial disagreement between them.

I was the more anxious to support the position which I had assumed, because, however strong the reasons alleged in justification of the seizure, still, if it was conceded that it was made on a spot not previously in our possession, it was liable to be considered as a violation of foreign territory and of the rights of the nation whose vessel had been seized. That for acts of that nature reparation has been obtained may be proven by the transactions relative to the Nootka Sound affair in the year 1790. It will be seen by reference to the documents in that case that Great Britain, before she would enter into a discussion of the main question, insisted, and that Spain agreed, that satisfaction should be given for the injury complained of; and that injury was the detention of British vessels in a place over which Great Britain denied that Spain had jurisdiction. I know that distinctions may be drawn; nor do I pretend to say that in that instance England had the right to ask the satisfaction, or that the United States ought to follow the example given by Spain. But the fact might nevertheless be quoted by France as a precedent; and it appeared to me important to avoid, if possible, a discussion on the right of making a seizure on territory not within our previous possession and jurisdiction.

This letter was prepared early in February last, but I did not think it worth while to send it whilst my longer stay here and further connection with the discussion of the subject remained so uncertain.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 224.

PARIS, 29th July, 1822.

SIR,—I had the honor to receive your despatches Nos. 48 and 49, together with the copy of the convention signed on the 24th ult. by Mr. de Neuville and yourself. The terms are more favorable to France than I had been led to presume would be acceded to, and than was hoped for by this government. Great satisfaction has been shown on receipt of the intelligence, and it is probable, from the anxiety previously evinced on the subject, that the present Ministry would have been disposed to agree to a greater reduction of the discriminating duties. I hope, however, that the superior activity of our ship-owners and seamen will enable us to stand the competition, and that the convention, having been signed, will be ratified.

The first separate article is entirely in favor of the French, and would seem to be a gratuitous and unnecessary concession, unless it has been intended to get rid of the legal questions which had arisen with respect to our right of requiring the extraordinary tonnage duty from French vessels which had arrived at New Orleans.

Although my first impression was against the second separate article, and its operation is doubtful, I incline to the opinion that it would, upon the whole, be favorable to us. But its execution will be difficult, at least here; and I understand that the French merchants of Havre are opposed to it and hope that it will not be ratified by this government.

Viscount Montmorency has, on my request, agreed to a conference for Thursday next on the subject of our claims; but, from the manner in which he spoke, I fear that further delays are intended.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 230.

PARIS, 8th September, 1822.

SIR,—I had, on the 17th ult., written to Viscount Montmorency, and again, on the 31st, to Mr. de Villèle, on the subject of our reclamations, only to remind them that the late convention had removed the only cause assigned for delay. I received last night Mr. de Villèle's note of the 3d, of which copy is enclosed. I am inclined to think that Mr. de Neuville has also represented that it was necessary to give us some satisfaction in that respect, but to what extent I cannot say; and I have been too often disappointed to entertain very sanguine hopes.

The indisposition alluded to in my note to Mr. de Villèle was a rheumatic pain, which has confined me for four weeks. I begin to walk, and hope to be able to go out in a few days. But that circumstance has prevented my urging verbally the subject and my obtaining any correct information of the real intentions of the Ministry.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 233.

PARIS, 24th September, 1822.

SIR,—I had yesterday a conference with Mr. de Villèle on the subject of our claims. He expressed his wish that a general arrangement might take place embracing all the subjects of discussion between the two countries; stated those to be, the reclamations of the United States for spoliations on their trade, those of France on account of Beaumarchais' claim, and of the vessels captured on the coast of Africa, and the question arising under the Louisiana Treaty; and asked whether I was prepared to negotiate upon all those points. I answered that I was ready to discuss them all; but that I must object to uniting the Louisiana question to that of claims for indemnity, as they were essentially distinct, and as I thought that, after all that passed, we had a

right to expect that no further obstacle should be thrown in the discussion of our claims by connecting it with subjects foreign to them. Mr. de Villèle appeared to acquiesce in that observation, and I then said that with respect to the reclamations of France, I had already answered, in my letter of the 13th of June last to Viscount Montmorency, that I was ready to take them into consideration, provided there was a perfect reciprocity both in point of time and as related to the nature of the claims; and that Beaumarchais' claim arising from a contract, if that was taken up, all the claims of our citizens of the same nature must also be embraced by the arrangement which was contemplated. I added, that although my applications for indemnity had heretofore been only for cases of spoliations contrary to the law of nations, yet the claims arising from contracts were numerous, and I mentioned those for supplies to St. Domingo during Le Clerc's expedition, all of which had, by an arbitrary act of Bonaparte, been cut down to one-third part of the original amount.

Mr. de Villèle said that he had thought that the proper distinction to be made on both sides was, whether redress might be obtained before courts of justice or not, and that those claims alone ought to be embraced by an arrangement between the two governments in which such remedy could not be had. He then said that, as a difference of opinion might be expected in many cases between the commissioners to whom the business might be referred, it would be necessary to provide means for an ultimate decision in such cases, and asked (what he well knew) what means had been resorted to for that purpose in our arrangements with other nations on similar subjects.

On the last point I answered that we had either provided that an additional commissioner should be drawn by lot, or that the subject should be referred to a foreign sovereign selected by mutual consent; and Mr. de Villèle at once said that the last was by far the most eligible mode, and that the sovereign ought to be selected and named at the time of making the arrangement, without waiting for the contingency under which it might become necessary to appeal to him.

As to the distinction he had suggested, I observed that I could

easily see how it would apply in relation to French claims; that the principle adopted in the United States was that no suit could be brought against them, but that all their agents or officers might be sued for damages without the authorization of the Administration; and that, according to that principle, the heirs of Beaumarchais could not, and the owners of the vessels captured on the coast of Africa might, obtain redress before the ordinary tribunals. But I could not accede to the proposal, because a great portion of our claims was for indemnities in cases where the tribunals had already condemned the property by virtue or under color of decrees violating the law of nations, our application in those cases being founded on the injustice of the decrees themselves. It might be that for that very reason those claims might, even with the distinction suggested, be considered as not excluded; but this was doubtful, and I was unable to judge how that distinction would generally apply to the claims of the citizens of the United States. Mr. de Villèle said that it was impossible that France should consent to pay for the property which had been actually condemned. I replied that it was equally impossible that the government of the United States should consent to abandon the claim; and that since there was such difference of opinion in that respect, it was precisely one of the cases in which a reference to a third party would become necessary.

Mr. de Villèle then said that it was his intention to propose to the King to appoint Mr. de Neuville to negotiate with me on the subject. I answered that I was ready to open the discussion with any person the King might be pleased to appoint for that purpose, and that certainly no one could be more agreeable than Mr. de Neuville; but that I thought it most eligible that the Cabinet and myself should, in the first place, agree on some general basis; that, after having left my application unanswered during six years, it appeared to me that we were entitled to something more than the notice of the appointment of a person to treat; that we expected, and in fact had asked, a decisive answer; and that I disliked every proposal which had the appearance of adding further delays to that which had already taken place. Mr. de Villèle disclaimed any intention of that

kind; declared his inability, from want of time and of knowledge of the subject, to investigate it and to agree to any preliminary basis, and ended the conference by saying that he would, however, converse with Mr. de Neuville and request him to confer with me before he proceeded to an official appointment.

I have the honor, &c.

JEFFERSON TO GALLATIN.

MONTICELLO, October 29, 1822.

DEAR SIR,—After a long silence, I salute you with affection. The weight of eighty years pressing heavily on me, with a wrist and fingers almost without joints, I write as little as possible, because I do it with pain and labor. I retain, however, still the same affection for my friends, and especially for my ancient colleagues, which I ever did, and the same wishes for their happiness. Your treaty has been received here with universal gladness. It was indeed a strange quarrel, like that of two pouting lovers, and a pimp filching both; it was nuts for England. When I liken them to lovers, I speak of the people, not of their governments. Of the cordial love of one of these the Holy Alliance may know more than I do. I will confine myself to our own affairs. You have seen in our papers how prematurely they are agitating the question of the next President. This proceeds from some uneasiness at the present state of things. There is considerable dissatisfaction with the increase of the public expenses, and especially with the necessity of borrowing money in time of peace. This was much arraigned at the last session of Congress, and will be more so at the next. The misfortune is that the persons most looked to as successors in the government are of the President's Cabinet; and their partisans in Congress are making a handle of these things to help or hurt those for or against whom they are. The candidates, ins and outs, seem at present to be many; but they will be reduced to two, a Northern and Southern one, as usual: to

judge of the event the state of parties must be understood. You are told, indeed, that there are no longer parties among us; that they are all now amalgamated; the lion and the lamb lie down together in peace. Do not believe a word of it. The same parties exist now as ever did. No longer, indeed, under the name of Republicans and Federalists. The latter name was extinguished in the battle of Orleans. Those who wore it, finding monarchism a desperate wish in this country, are rallying to what they deem the next best point, a consolidated government. Although this is not yet avowed (as that of monarchism, you know, never was), it exists decidedly, and is the true key to the debates in Congress, wherein you see many calling themselves Republicans and preaching the rankest doctrines of the old Federalists. One of the prominent candidates is presumed to be of this party; the other a Republican of the old school, and a friend to the barrier of State rights, as provided by the Constitution against the danger of consolidation, which danger was the principal ground of opposition to it at its birth. Pennsylvania and New York will decide this question. If the Missouri principle mixes itself in the question, it will go one way; if not, it may go the other. Among the smaller motives, hereditary fears may alarm on one side, and the long line of local nativities on the other. In this division of parties the judges are true to their ancient vocation of sappers and miners.

Our University of Virginia, my present hobby, has been at a stand for a twelvemonth past for want of funds. Our last Legislature refused everything. The late elections give better hopes of the next. The institution is so far advanced that it will force itself through. So little is now wanting that the first liberal Legislature will give it its last lift. The buildings are in a style of purely classical architecture, and, although not yet finished, are become an object of visit to all strangers. Our intention is that its professors shall be of the first order in their respective lines which can be procured on either side of the Atlantic. Sameness of language will probably direct our applications chiefly to Edinburgh.

I place some letters under the protection of your cover. You will be so good as to judge whether that addressed to Lodi will

go more safely through the public mail or by any of the diplomatic couriers, liable to the curiosity and carelessness of public officers. Accept the assurances of my constant and affectionate friendship and respect.

GALLATIN TO J. Q. ADAMS.

No. 236.

PARIS, 13th November, 1822.

SIR,—Mr. Hyde de Neuville called on me some days after my conference with Mr. de Villèle, and I am sorry to say that his conversation was very unsatisfactory. He said that he did not consider the present government as bound to pay the American claims arising from Bonaparte's aggressions and decrees, and that any indemnity which might be made on that account must be considered as an act of generosity. He rejected altogether the supposition that this indemnity if made could extend to cases where a condemnation had taken place. And when speaking of the remaining cases, those of sequestration without condemnation, he insisted that for the vessels given up by Holland our recourse must be against that government, although the proceeds had been placed in the treasury of France, and that with respect to the St. Sebastian cases, the application of the claimants to the commissioners appointed to decide on the claims under our treaty with Spain was a bar against their presumed right to demand payment from France. He dwelt at the same time on the injustice on the part of the United States in not paying Beaumarchais, and on the wrongs sustained by France in the Florida seizures and in the capture of vessels on the coast of Africa. I saw clearly, upon the whole, that his return to France and his influence on our affairs must have the most unfavorable effect on our application for indemnity. I will not trouble you with the observations which I made in answer, as the ground taken and the arguments I have already used are familiar to you.

I concluded that the only chance of success was to wait for the return from Verona of Viscount Montmorency, and avoided pressing for any definitive step on the part of this government. But I received on the 8th instant a letter of Mr. de Villèle of

the 6th, copy of which is enclosed, together with that of my answer of the 12th.[1]

There is no doubt that the attempt to blend the discussion respecting the claims with that concerning the construction of the 8th Article of the Louisiana Treaty is intended to postpone, if not to defeat, the first object. It must have been presumed that I could not have powers on the Louisiana question, and that in case I had, they could not be such as to authorize me to acquiesce in the construction contended for by France. From the tenor of the letter, as well as from other circumstances, I am inclined to think that government will persevere in insisting that the two subjects should be united in the same negotiation. I had received a suggestion to that effect from a respectable quarter, and I beg leave also to refer to the semi-official article in the Journal des Débats of the 8th instant, observing that that paper is considered as the organ of Mr. de Villèle's sentiments.

It will now remain for the President to decide whether it is proper to send me powers on the subject of the Louisiana Treaty, and, in that case, whether it is for the interest of the United States to purchase the annullation of the 8th Article. That this government mean to make their claim under it an offset against the just demands of our citizens is obvious to me. Yet, as I may be mistaken, and as a change of Ministry or some unforeseen circumstances may unexpectedly give an opportunity of making an arrangement, I beg leave again to refer to the several letters in which I have applied for instructions on that subject. I must also observe that, although my powers authorize me to provide by convention for the just claims of French subjects against the United States, I have no instruction whatever on that point. The only French claims within my knowledge are those already mentioned, Beaumarchais', the vessels seized in the waters of St. Mary's River, and those captured by Captain Stockton.

I have the honor, &c.

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[1] This note will be found in American State Papers, vol. v. (Foreign Affairs) p. 312; and again, p. 671.

GALLATIN TO MONROE.

PARIS, 13th November, 1822

With respect to my longer stay here, I entertain a just sense of your partiality and kind feelings towards me; and I may add that so far as I am personally concerned the station is not only highly honorable, but more agreeable than any other public employment which [I] might fill. But considerations connected with my children and with my private affairs imperiously require my presence in America at least for some months. Under those circumstances I will, with your permission, return next spring, but take leave here as only going with leave of absence. I would probably be ready to return here in the autumn, and take care that the public interest should not in the mean while suffer. Mr. Sheldon is indeed fully equal to the task of managing all the current affairs of the mission, and France has given us the example of leaving a chargé for a short time. But this must not by any means prevent you from filling the place at once on my return if you think it proper. I will only thank you to let me know your intention in that respect as soon as possible after the receipt of this letter.

GALLATIN TO J. Q. ADAMS.

No. 237.

PARIS, 19th November, 1822.

SIR,—I received last night, and have the honor to enclose, a copy of Mr. de Villèle's answer (dated 15th instant) to my letter of the 12th. You will perceive that, without taking any notice of the reasons I had urged why a distinct negotiation should be immediately opened on the subject of the claims against both governments, he insists that this shall be treated in connection with the question respecting the construction of the 8th Article of the Louisiana Treaty. The object is too obvious to require any comments on my part, and this final decision leaves me no other course than to refer the whole to my government.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 241.

PARIS, 5th January, 1823.

SIR,—I had, after his return from Verona, a conversation with the Duke of Montmorency on our claims. I complained in strong terms of the decision taken by Mr. de Villèle, and said that his insisting to connect that subject with the discussion respecting the construction of the 8th Article of the Louisiana Treaty would be considered in the United States as an attempt to avoid altogether the payment of the indemnities due to our citizens. I then stated that the reluctance evinced by the government of France to make a general arrangement on that subject had induced the President to authorize me to make a separate application for the Antwerp claims; that what had now taken place afforded an additional proof of the difficulties which stood in the way of a general transaction; and that, whilst this seemed to be indefinitely postponed, I hoped that the special application would at least be attended to and receive a favorable decision.

The Duke, after some general observations on the earnest desire of France that all the subjects of difference between the two countries should be definitively arranged, and declaring that this was the only motive for insisting on a negotiation embracing all those points, said that to take up at this time any special claim appeared to him inconsistent with the official communication made to me by Mr. de Villèle, and that we must wait at least till I had received an answer from my government, to whom I must of course have transmitted the correspondence. He promised, however, to lay my request before the King's council, but without giving me any expectation that it would be favorably received.

It is probable that even this has been prevented by the Duke's resignation, which took place a few days after our conversation; and I think it quite useless to renew at this time the application to his successor, Mr. de Chateaubriand. I will therefore wait till I receive your instructions in answer to my several despatches on this subject.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

No. 244.

PARIS, 18th January, 1823.

SIR,—On the return of the Duke of Montmorency from Verona, I had a preparatory conversation with him on the subject of the slave-trade, and promised to send him the copy of our laws prohibiting it. He resigned a few days after, and I have the honor to enclose the copy of a letter written this day to his successor, and accompanying the laws in question.

I found this rather a delicate subject. You are aware that the opinion generally prevails here that Great Britain, having taken care to provide her West India colonies with an ample supply of slaves during the years that preceded her act abolishing the trade, is not altogether disinterested in the earnestness with which she endeavors to enforce the prohibition in other countries; that she is not sorry that the growth and prosperity of the colonies of other nations, where the inequality between the sexes amongst the blacks prevents an immediate natural increase, should be checked by the impossibility of obtaining a sufficient number of cultivators. But it is the national pride which has principally been wounded by the manner in which the abolition of the slave-trade took place in France. It was not an act of their own, unless that passed by Bonaparte during the hundred days be considered as such, but the condition of the treaty of peace with England, and is considered as one of those imposed by a victorious enemy. The right this has given to Great Britain to interfere in a domestic concern, the perpetual though well-founded representations made by her minister of the infractions of the law, have a tendency to irritate, and have rendered the country, if not the Ministry, peculiarly susceptible on that subject. This will account for the manner in which I have deemed proper to treat it, to which must be added our own refusal to agree to the proposal of England to admit the reciprocal right of capture and the trial by a mixed commission.

There can be but little hope that our own representation will at this time produce any effect. Independent of the causes already assigned, the colonial interest, which, from ancient recol-

lections and its connections with the noblesse and the commercial cities, is yet much stronger than might be expected, still entertains chimerical hopes respecting St. Domingo, is at bottom in favor of the slave-trade, and will, I think, prevent the men now in power from doing anything efficient.

I beg leave to take this opportunity of repeating a suggestion which, before I was officially connected with the subject, I had submitted in a private letter to the President.

Would not the objection to the proposal of Great Britain be considerably lessened if, by the proposed agreement, the captors (whether British or American) were bound, 1st, not to take any part of the crew from the captured vessel; 2dly, to send such vessel and crew for trial to the country under whose flag she sailed, and where they would be tried exclusively by the courts and according to the laws and forms of proceeding of their own country?

I have the honor, &c.

P.S.—January 22d. I have this moment received, and have the honor to enclose the copy of, the answer from Mr. de Chateaubriand to my letter to him of the 18th instant.

GALLATIN TO J. Q. ADAMS.

No. 250.

PARIS, 27th February, 1823.

SIR,—I had designedly abstained from answering Mr. de Villèle's letter of the 15th of November in order to be able to avail myself of any change in the Ministry, or of any other favorable circumstance which might arise. The more I have reflected on the ground assumed by this government on the subject of our claims, and on the attempt to connect their discussion with the question arising under the 8th Article of the Louisiana Treaty, the more I have felt satisfied that it was impossible that the United States should depart from the true construction of that article and acquiesce in that contended for by France, and that a renewed discussion on that subject would

be unprofitable and lead to no result whatever. As a last but, I believe, unavailing effort, I have concluded to express that conviction to the French government, and have accordingly addressed this day to Mr. de Chateaubriand the letter of which I have the honor to enclose a copy.[1]

I have no doubt that there is not at this time any disposition to do us justice, and that if we were even to make some concessions with respect to the article above mentioned, we could not succeed in making an arrangement on the subject of the claims satisfactory to the parties, or such as the government of the United States would feel justified to accept. With that view of the subject, it appears to me evident that it is less disadvantageous to let the question rest for the present as it is than to entangle ourselves by consenting to blend it with the discussion of the Louisiana Treaty; whilst, on the other hand, the communication of this determination coming from me, before any specific instructions can have been received from you, is less peremptory than if founded on those instructions, does not commit government, and leaves the United States at liberty to resume at a more favorable time the negotiation on the ground which may then appear most eligible.

Independent of unforeseen circumstances which may alter the dispositions of this government, I can perceive but one mode calculated to produce some effect. It is that the parties interested should petition Congress, and that there should be some marked expression of the sentiments of that body in their favor. The apathy of the great mass of the claimants, and the silence preserved in that respect during so many years in all our public discussions, have undoubtedly produced here the impression that very little interest was felt on that subject, and in some degree contributed in rendering our efforts to obtain justice unavailing.

I have the honor, &c.

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[1] This note will be found in American State Papers, vol. v. (Foreign Relations) p. 313; and again, p. 673.

GALLATIN TO J. Q. ADAMS.

PARIS, 28th February, 1823.

DEAR SIR,—There not being at this time the least prospect of a settlement of our claims, I do not perceive any reason connected with the public service for protracting my stay in this country. I will terminate as far as this government will allow what relates to the fisheries, although I would have wished to hear from you on the subject; and some heavy losses I have experienced at home, as well as certain family circumstances, imperiously requiring my presence there, it is my intention, if nothing new and important of a public nature shall take place, to take my departure in the course of the spring. I had already written a private letter on that subject to the President, to which I had hoped to have received an answer before this time, and in which I had asked only for leave of absence. But, this being an unusual course, it may be better at once to appoint a successor, and I wish it to be done. If the President shall think it more eligible to wait for the meeting of the Senate, you know that Mr. Sheldon is fully competent to carry on the current business, and I believe him equally so to act on any incident that may arise. As to the still uncertain war with Spain, nothing can possibly be necessary here on our part than perhaps some remonstrance in case of infractions of our neutral rights. There is no disposition on the part of France to commit acts of that kind; and that subject is also quite familiar to Mr. Sheldon.

I have, &c.

GALLATIN TO J. Q. ADAMS.

No. 257.

PARIS, 18th April, 1823.

SIR,—I had the honor to receive your despatch No. 55, and intend to avail myself of the leave of absence granted by the President, and to take my departure in about a month, leaving Mr. Sheldon as chargé d'affaires.

I beg you to express my thanks to the President, but to repeat

that it is not my wish that another appointment should be delayed on my account, if deemed useful.

I have the honor, &c.

CRAWFORD TO GALLATIN.

WASHINGTON, 26th May, 1823.

MY DEAR SIR,—Your letter of the 27th of September last was received some time in December thereafter, and is the [last] letter I have had from you.

Some time in December I understood you had applied for leave of absence, and shortly after was informed that it had been granted.

In the latter end of April the President showed me a private letter from you, dated in the early part of March, in which you declare your determination to leave France the 10th of this month; and a few days afterwards I was informed that Mr. Adams had requested you to remain. I understand that this request had been made in consequence of the expected rupture between France and Spain. It would therefore appear that the reasons you assigned for believing your presence at Paris would be useless have not been considered good by the Secretary of State. To me they appeared conclusive when I read the letter, and reflection has only confirmed my first impressions. It is not pretended that the war with Spain will favor the efforts which have for twelve years past been made without success to procure indemnity for unjust spoliations committed upon our merchants. Infractions of our neutral rights must then be apprehended before a successor could be sent. The interest of France to strip Great Britain of an excuse to interfere in the war is the best guaranty that can be offered for her scrupulous respect for neutral rights. All that an American minister can do during the present year at Paris will be to give information of what is going on, and speculate upon what may possibly be done in the progress of the war. If the Secretary was at Paris, or if his protégé, Mr.

Everett, was there, the curiosity of the government to grasp at future events would have ample gratification. I do not know Mr. Sheldon well enough to form an opinion of his capacity to minister to this propensity of man, but I presume he would supply it with as *much*, if not as *delicate, food* as it would receive from you.

Some of the little people who buzz about the government have, I understand, been very busy in the expression of their opinions that the change of relations between France and Spain renders highly important that you should remain. The people have had their cue, and repeat their lesson by rote, for if they were capable of reasoning themselves, they would see the folly of their declarations. It is impossible that reflecting men, whose judgments are not led astray by some strong impression resulting from selfish purposes, can believe that it is of any importance to have a minister at Paris at this moment.

The reason, then, assigned for this request is not the true one. That must be sought not in Paris, but in the United States. You will understand it as well as I do, upon a moment's reflection. Your presence in the United States during the present year may not suit the views and projects of certain gentlemen; it is therefore necessary to devise some cause for keeping you at Paris. It is possible that if Mr. Rush was disposed to return, some cause connected with the rupture between France and Spain would be discovered to render his stay in London necessary. As that gentleman, however, has written a number of letters to his friends in Pennsylvania, which may have an effect somewhat similar to that which is apprehended from your return, it is possible that it may facilitate his return.

I have written this letter under an impression that the request of Mr. Adams may arrive at Paris before you leave it. Your friends are desirous of your return, and will be disappointed if you do not. I have understood that Mr. Astor has received a letter from you as late as the 17th ult., which is indicative of your intention to return; but Mr. Astor thinks you will not, and that you ought not. He is probably governed in this opinion by his interests and wishes. If you do not return in the Montano, which, it is now said, will not sail before the 20th of this

month, he will see you before this letter reaches you, as I shall confide it to the care of Mr. Erving, who, it is understood, will not sail until the arrival of the Montano.

Your friends Lacock and Roberts are very decided on the question which now attracts the attention of the nation. Indeed, there are but few exceptions among your old political associates. Many of them, unfortunately, are no more, and new men have filled their places: the new-comers, however, have a high respect for your character, talents, and opinions, and wish to see and converse with you upon this question.

Mr. Macon, to whom I presented yours and Mrs. Gallatin's respects, begged me to assure you both, in my next letter, of his undiminished friendship and affection.

Present my respects to her and to the other members of your family, and accept the assurance of the sincere regard with which I remain

Yours, &c.

GALLATIN TO J. Q. ADAMS.

New York, 24th June, 1823.

Sir,—I arrived here this morning, after a passage of thirty-four days from Havre. Nothing had taken place at the time of my departure which altered our relations with France. In a conference with Mr. de Chateaubriand on the 13th ult., I complained of the want of disposition evinced by France to arrange the subjects of difference between the two countries, and of the manner in which the question had been treated by her government, and by him in particular. It is unnecessary to repeat to you what was said on the subject of the American claims; but I dwelt on his last letter to me respecting the fisheries, and told him that if he intended to preserve an amicable understanding with the United States, he must answer the arguments used in support of their claims, instead of simply saying that they did not alter his view of the subject, and, above all, suspend every act of aggression pending the discussion. I also adverted to his not having given any explanation on the subject of the second

separate article of the commercial convention, and observed generally that that apparent determination on the part of the French government to avoid every discussion had an unfriendly and offensive aspect, which could not fail ultimately to produce an unfavorable effect on our relations. What I said seemed to produce at least some momentary effect, and Mr. de Chateaubriand sent me, two days after our interview, the enclosed letters for Count de Menou, which may perhaps contain some instructions arising from that conversation. You need not, however, expect anything beyond words, or that justice shall be done in any respect. With respect to the fisheries, although France may abstain from positive aggression, and of this I have no assurances, she will again act as formerly unless fully satisfied that the government of the United States will resist.

I did not leave Mr. de Chateaubriand without adverting to the affairs of Spain. That our sympathies were entirely on her side, and that we considered the war made on her by France as unjust, I did not pretend to conceal; but I added that the United States would undoubtedly preserve their neutrality, provided it was respected, and avoid every interference with the politics of Europe. Even in the questions connected with South America they had not interfered, and, although their wishes were not doubtful, they had neither excited nor assisted the Spanish colonies. But I had every reason to believe that, on the other hand, they would not suffer others to interfere against the emancipation of America. If France was successful in her attack on Spain, and afterwards attempted either to take possession of some of her colonies or to assist her in reducing them under their former yoke, I was of opinion that the United States would oppose every undertaking of this kind, and it might force them into an alliance with Great Britain. Mr. de Chateaubriand answered in the most explicit manner that France would not make any attempt whatever of that kind or in any manner interfere in the American questions. If he was sincere, he must have received some hint from the British government similar to mine; for you may recollect the declaration that the armies and *fleets* of France would be at the disposal of Spain whenever Ferdinand was restored to his former power.

I have spoken in the same manner and as explicitly on that subject to the ambassador of Russia; and I added that the Spanish colonies might remain such as long as it suited them, but that if not Spanish colonies they must be altogether independent, and that we would not consider the establishment of a Bourbon or other European prince in Mexico or Peru as tantamount to independence. Let them choose their own forms of government, provided they were free of any foreign influence whatever. I took the opportunity to speak of Russian America, and to observe how contrary to sound policy it was to attempt to extend settlements in that remote quarter without any real national advantage and without the means of protecting them in case of rupture with any maritime power. General Pozzo di Borgo seemed to coincide with me in opinion on both points. I think that he fears that the part taken by Great Britain in the Spanish affairs may have a tendency to unite us with her. As the avowal of his opinion in favor of the Greeks had nearly cost him his place, he is more cautious even with me than formerly; he has, however, told me that the change in the Emperor's opinions must be ascribed to the murders of the Duke of Berry and of Kotzebue. This last act particularly, connected with Sand's character and the almost justification by German professors, had produced a powerful effect on his mind.

The resistance made in Catalonia, and the last movements of Mina, the result of which was not yet known, had produced some sensation. Any check in any part of the extended French line would produce a great effect on both sides and probably compel the invaders to retreat. I think, however, that they will go as far as Madrid and try to negotiate. The British government is undoubtedly using unremitted endeavors in France and in Spain to effect that object.

It is my intention to be at Washington, on my way to the Western country, in about three weeks.

I have the honor to be, very respectfully, sir, your most obedient and very humble servant.

JEFFERSON TO GALLATIN.

MONTICELLO, August 2, 1823.

DEAR SIR,—A recent illness, from which I am just recovering, obliges me to borrow the pen of a granddaughter to acknowledge the receipt of your welcome favor of June 29, from New York. I read it with great satisfaction. Occasional views, to be relied on, of the complicated affairs of Europe are like a good observation at sea, which tells one where they are, after wandering with the newspapers till they are bewildered. I keep my eye on the cortes as my index, and judge of everything by their position and proceedings. I do not readily despair of Spain. Their former example proved them, and the cause is the same,—their constitutional cortes and king. At any rate, I despair not of Europe. The advance of mind which has taken place everywhere cannot retrograde, and the advantages of representative government exhibited in England and America, and recently in other countries, will procure its establishment everywhere in a more or less perfect form; and this will insure the amelioration of the condition of the world. It will cost years of blood, and will be well worth them.

Here you will not immediately see into our political condition, which you once understood so well. It is not exactly what it seems to be. You will be told that parties are now all amalgamated; the wolf now dwells with the lamb, and the leopard lies down with the kid. It is true that Federalism has changed its name and hidden itself among us. Since the Hartford Convention it is deemed even by themselves a name of reproach. In some degree, too, they have varied their object. To monarchize this nation they see is impossible; the next best thing in their view is to consolidate it into one government as a premier pas to monarchy. The party is now as strong as it ever has been since 1800; and, though mixed with us, are to be known by their rallying together on every question of power in the general government. The judges, as before, are at their head, and are their entering wedge. Young men are more easily seduced into this principle than the old one of monarchy. But you will soon see

into this disguise. Your visit to this place would indeed be a day of jubilee: but your age and distance forbid the hope. Be this as it will, I shall love you forever, and rejoice in your rejoicing, and sympathize in your evils. God bless you and have you ever in his holy keeping!

MONROE TO GALLATIN.

Oak Hill, Virginia, October 15, 1823.

Dear Sir,—The state of our affairs with France having become more unfavorable since your return home, makes it very important that we should be represented there by a minister of the first grade employed by the United States, and of most weight, as soon as it may be practicable. In addition to former difficulties, her government has formally rejected our right to the fisheries in the Strait of Belle Isle, in regard to Newfoundland, as contended for by you, and warned a frigate from entering Cadiz with a minister sent to a government with whom she treats, and which is of course recognized by herself. The general doctrine also contended for by her government in entering and making war on Spain cannot be acquiesced in, and may require notice both here and there. It would be very gratifying to me, as I am satisfied it would be to the public, if you could resume your station, if it were only for the winter, so as to meet the present crisis. I have taken no step in regard to a successor, in the hope that you might return, of which be so kind as to inform me as soon as convenient after the receipt of this.

With great respect and regard, I am, dear sir, yours.

GALLATIN TO MONROE.

New Geneva, 26th October, 1823.

Dear Sir,—Our mail is so slow and irregular that your letter of the 15th reached me only this day. I had already

stated that the situation of my affairs rendered my return to Europe extremely improbable. I have found them still more complex and deranged than I had expected, and it is, at all events, impossible that I should return this winter. This would have been communicated to you before now, had I not understood, on leaving Washington, that you would appoint a successor the moment you thought the public service required it, without taking the trouble of writing to me on the subject. It was at least my intention and wish that it should be so.

It would be gratifying to the people of America, and refreshing to the friends of liberty in Europe, to hear the President of the United States publicly reproving the principle of the Spanish war; the only objection is that we have been heretofore silent on similar occasions,—on the aggressions of Europe against republican France, on the invasion by France of Switzerland, Spain, &c.

I expect to have the pleasure of seeing you about the middle of November, as I intend to call at Washington for the purpose of settling my accounts. I remain, in the mean while, with great respect and regard, dear sir, yours.

GALLATIN TO CHANDLER PRICE, AND OTHERS.

BALTIMORE, February 11, 1824.

GENTLEMEN,—I had the honor to receive your polite letter of the 4th instant, and am gratified to find that my endeavors to obtain justice for our fellow-citizens, though unsuccessful, have met with your approbation. The object of my last visit to Washington was to point out those parts of my correspondence with my own government the publishing of which at this time might, in my opinion, have been prejudicial to the interest of the claimants. They consisted of statements of conversations with the French Ministers, in which objections were made by them and answered by me, some of which at least may not be renewed or officially brought forth; of communications of some secret decrees of Bonaparte, which might be urged against some

of the claims, but which are not perhaps known to the present French government, and which, at all events, they have been heretofore unable or ashamed to produce; and of informal suggestions for the settlement of our demands, or of my own opinion, given at several times, of the prospect of success to the different classes of claimants, and of the most practicable means to obtain partial redress or to make a general arrangement. As it may, however, be useful to you in the further prosecution of the claims to have some information on the subject, I will try to give it as far as can be done in the compass of a letter.

The principal objections urged verbally and inofficially against the claims were, 1st, that in the conventions imposed on France by the allied powers for indemnities to their subjects, no claim was included of the same description with ours. To this objection I thought it safe and proper to make an official answer, which will be found in the correspondence communicated to Congress; and it has since appeared that in one instance at least (the claim of Fillietaz) a part of one of our own claims has been deemed by the government of the Netherlands to be embraced by the said conventions, and has accordingly been paid. Vessels burnt at sea have also been provided for by those treaties; but, upon the whole, so small a portion of our claims would be embraced by the stipulations in favor of the subjects of the allied powers, that it will be found safer, except in special cases, to rely on the general answer which I first gave.

2dly. That, in similar and cotemporaneous cases, we had obtained no indemnities from England and Naples. Independent of the obvious and general answer that an unjust refusal from those powers did not lessen our claim on France or justify her in pursuing the same course, I observed, with respect to England, that we had actually sought redress against her by war; that, although unable to obtain it by the treaty of peace, we had, by a cotemporaneous declaration, preserved our rights, and had never abandoned them; that it was true that they were nevertheless impaired by the resort to war, whilst the reverse was the fact with respect to France; and finally, that a very considerable, indeed the greater, portion of our claims on France were either for sequestrations without trial or for condemnations by

improper authorities (imperial decisions), instead of a trial by the ordinary tribunal in conformity with existing treaties, or for seizures under decrees executed suddenly and without previous notice, or to which a retrospective effect had been given, and in some cases (Antwerp) made although no existing decree could be applied to them; whilst the decrees of England, however unjust and in violation of the law of nations, had at least always been accompanied with proper notice of the time when they would be put in force, had never received a retrospective construction, and had uniformly been carried into effect by the ordinary and previously established courts of admiralty. With respect to Naples, after stating that we had not abandoned our claim on that government and that we considered the ground assumed by it as untenable, I said that the reason assigned by the Neapolitan Ministry for their refusal was such as could not and would not be alleged by France. The reason thus assigned was that the King of the Two Sicilies had never been dethroned, and had, during the whole contest, maintained undisturbed possession of an important part of his dominions (Sicily) and waged constant war against the invaders of the other part; that the possession of his continental dominions by the enemy could, therefore, be only considered as a military occupation, and not as an established government de facto, any more, and for the same reason, than that of Joseph Bonaparte in Spain, which we had never recognized; and that he, the King of the Two Sicilies, having ultimately gained possession of his whole kingdom, was no more responsible for the outrages committed against neutrals by the invaders than he would have been if they had been perpetrated by any enemy whatever that happened to gain possession of part of the country for the period of a single campaign. And it was evident that this argument, such as it was, was wholly inapplicable to the situation of France, to Napoleon, who had for so many years been in the full and undisturbed possession of all its territories, and had been recognized as her sovereign by all the powers of Europe and of the civilized world.

3dly. That the present government of France was not bound to make compensation in cases which had been finally adjudged under Bonaparte's reign; a position which embraced all the cases

of condemnation, and which, as already known to you, it was attempted to extend to all our claims (vessels burnt at sea only excepted) by giving a false construction to the order for transferring the proceeds of sales of sequestered property to the treasury, and pretending that that order was tantamount to a condemnation. This last attempt has been repelled, and will not probably be renewed; but the ground that the actual condemnations are final will certainly be taken. It is obvious enough that when we ask redress from a government and not from their tribunals for injuries arising from flagrant violations of the law of nations, it is preposterous to refuse it because the injury has been consummated, the capture, trial, and condemnation under unlawful decrees being all parts of the same system, to which the final process and decision can give no sanction. The principle, absurd as it is, will nevertheless be maintained, because the French government can avow it without fear of the public opinion in France revolting against it, since it has been uniformly adhered to with respect to their own subjects; the most just claims of French subjects against their own government having, I believe, without exception, been rejected if there had been a decision against them under Bonaparte, or if barred by some of his very unjust acts of limitation. It is proper here to advert to those secret decrees of Bonaparte which have been or may be construed into acts of condemnation and add to the mass of claims attempted to be excluded under this head. Two of these decrees only have come to my knowledge, but there may be more in reserve. The first is the order already alluded to, by virtue of which the proceeds of sales of sequestered property were transferred from the sinking fund to the treasury. Of the existence of that decree the French government is certain, since without it the money could not have been paid, as it actually was, into the treasury; but the men in power, not knowing that it was to be found in, and was only one of the clauses of, a long decree or imperial budget (a species of supplementary appropriation law by which Bonaparte used to enact in council when those of the legislative body proved insufficient), and thinking that it was a distinct act for that special purpose, have not heretofore been able to produce or indeed to discover the text. It is simply

an order for the payment into the treasury of the moneys arising from the sales of the American property seized at Antwerp, of that sold at Bayonne (St. Sebastian's, &c., seizures), and of the American vessels delivered by Holland to France in consequence of a special unpublished treaty; which moneys, together with certain other funds, are by the decree appropriated to defray the additional expenses provided for by the budget. The other secret decree is of a cotemporaneous date with the official communication to Mr. Armstrong that the Berlin and Milan decrees would be revoked on certain conditions in the month of November next ensuing; it embraces all the vessels and cargoes seized in France or in the dominions of her allies subsequent to May, 1809; or, in other words, all the sequestered American property with the exception of that seized in Antwerp; and, under pretence of retaliation, it directs a disposition of the proceeds in terms not amounting to condemnation but susceptible of being so construed. This decree may not be known to the present French government, or they may be ashamed to avail themselves of such a mean and perfidious act; certain it is that it has never been alluded to. It was sent to me from a private but authentic source, and was sent through mistake instead of another document. I have no copy of it, but left one in the archives of the American mission at Paris, and sent one to the Department of State.

4thly. That the seizures at St. Sebastian's and in Holland were avowedly made in retaliation of the Act of Congress of March, 1809. The fact that such was the pretence set up by Bonaparte cannot be denied; and he never abandoned that ground; at least, it will be found that in the last letter from his Minister of Foreign Affairs to Mr. Armstrong the determination is expressed to try those cases according to the law of retaliation. This ground may probably be taken by the present government of France, but, not having been distinctly avowed, no opportunity offered to discuss it. The answer will be found in the well-established principle that the law of retaliation cannot go beyond its avowed object,—that of obtaining redress for the injury actually sustained, and in the following facts, viz.: 1st, that the Act of Congress complained of was nothing more

than a prohibition to import French or English merchandise, or to admit in our ports French or English vessels, accompanied by the usual clause of forfeiture (as in all other revenue laws) in case the law was infringed; which prohibition was an act lawful in itself, forced on the United States by the previous violations of the law of nations by France and England, and inoffensive to either by being made common to both; 2dly, that this Act was communicated to the French government immediately after its passage, without calling any complaint on its part; instead of which, about seven months after that communication, and without any previous notice, the pretended decree of retaliation was issued. It is very clear that had France issued a decree, *with proper notice*, forbidding the entrance of American vessels in Spanish and other ports in her possession, none would have attempted to enter such ports, and the seizures in question would not have taken place; 3dly, that it is believed (though this fact requires investigation) that not a single French vessel was forfeited under the Act of Congress complained of.

5thly. That the present government of France is not responsible for any of the injuries committed against the Americans by that of Bonaparte. This doctrine, not having been distinctly asserted, has not been discussed; and it is so contrary to the acknowledged law of nations, to the treaties of France with the allied powers, and to the uniform recognition of all the laws and acts of Bonaparte's government in relation to French subjects and to the internal concerns of France, that it is not probable that it will be officially sustained. Still, the sentiment, half concealed, half avowed, is entertained; and, together with the want of a sense of justice and with the magnitude of the claims, is the real objection to their admission, everything else which has been mentioned being nothing but pretence and evasion. And the most candid of the French Ministers have declared that they would never grant indemnities for condemnations; that such was the mass of injustice committed by Bonaparte that France was unable to make full compensation for it; that the allied powers, with 500,000 men occupying France, had been so sensible of this truth that they had agreed to accept, in full discharge of the indemnities claimed by their subjects, a sum falling very short

of their just demands; and that the United States must agree to a transaction founded on similar principles. On this I will only observe that the British subjects were more than compensated in full, and that, as far as I could form an estimate, the subjects of the other powers received on an average about one-half (or perhaps rather more) of their just demands, to which may be added that ours stand, on the whole, on higher grounds in point of justice than many of theirs which were allowed.

You will, from what precedes, form a correct estimate of the difficulties which stood and stand in the way of an arrangement. And you will see by the correspondence that the whole is now arrested by the demand of France that the subject should be treated in connection with the question arising under the 8th Article of the Louisiana convention. I consider the pretension set up by France under color of that article, and her interference in the case of Beaumarchais, as intended only to obtain better terms in the adjustment of the claims of American citizens.

It being ascertained that the French government would not make compensation in the cases of condemnations, and it being impossible that that of the United States should abandon that description of claims, three modes only suggested themselves of coming to a practicable result, viz.:

I. To attempt to obtain, gradually, payment for the claims which France seemed disposed to allow, without entering into any convention, and reserving therefore, unimpaired, the rights of our fellow-citizens in cases not allowed. It was on that ground that the Antwerp claims were first pressed, as the most unexceptionable. Some progress was made; but Mr. de Villèle, as soon as he took up the subject, declared his opposition to any partial payment, and that a transaction must be made for the whole.

II. To accept in full compensation for all our claims a gross sum, to be distributed by commissioners appointed by the government of the United States. It is not probable that the French government will offer a reasonable sum; and the distribution would be very embarrassing to ours. It seems to me that they could and would make no distinction between sequestrations and unlawful condemnations.

III. To refer all the claims to a joint commission, half

American, half French, with a stipulation to refer to a foreign sovereign the decision (as to principle, but not for liquidation) of the cases on which the commissioners should disagree.

Mr. Brown is instructed to press again the subject. Should he fail, you may now be able to judge what course it is best for the claimants to pursue. It was in the Antwerp cases that I was asked whether they had not better sell the claim. I advised against it, because the claim seemed irresistible, because there appeared some prospect to obtain payment, and because, if compelled to sell, I wished, considering the means to which the claimants might be compelled to resort, that the transaction might not take place whilst I was minister of the United States to France.

I believe that the correspondence communicated to Congress will supply all the necessary information not contained in this letter, and I think that it would be advisable to have the said correspondence republished in some newspapers, in order to make the scattered claimants acquainted with the state of the business, and in order to produce some national feeling in favor of the claims. Some parts would then also, perhaps, find their way in the French papers; and there is still in France something like a public opinion, which has its weight.

I regret that I had not more consoling information to give you; but it is proper that you should be in possession of the whole subject. The only advantage gained during a negotiation of more than six years (besides removing prejudices of a general nature arising from our war with England, which gave us the unfounded appearance of concert with Bonaparte) is, that France, unable to deny the justice of our claims and to repel our arguments, has declined the discussion; and that, after so long a silence and even the little she has said, it seems impossible that her government should dare hereafter to deny altogether their responsibility, or advance any of those sweeping objections which would embrace the whole of our claims.

You will have the goodness to excuse this scrawl. I have not time to correct and transcribe.

I have the honor to be, with great respect, gentlemen, your most obedient servant.

GALLATIN TO WALTER LOWRIE.

NOTE ON MR. GALLATIN'S CITIZENSHIP.

WASHINGTON, 19th February, 1824.

Mr. Gallatin arrived in the United States in the year 1780, and became a citizen under the laws of Virginia in October, 1785, having taken the requisite oath of allegiance for that purpose at that session of the court of Monongalia County. Having been elected a Senator of the United States in February, 1793, it was naturally objected that he had not been nine years a citizen of the United States, as required by the Constitution. The facts had been stated by himself and were known at the time when he was elected.

The grounds on which his eligibility was sustained were, 1st, that having come to the United States as a minor, during the Revolutionary contest and prior to the adoption of the Articles of Confederation, he was embraced by that compact, and must be considered as a citizen; 2dly, that he had been an inhabitant of a State more than nine years before his election, which was sufficient to give him the rights of citizen under the Articles of Confederation. It was provided by the 4th of those Articles that "the free *inhabitants* of each of these States (paupers, vagabonds, and fugitives from justice excepted) should be entitled to all privileges and immunities of free *citizens* in the several States." An extract from the 42d number of the Federalist was quoted to show that at the time when the Constitution of the United States was under consideration that clause was construed in the sense contended for. And the provision substituted in lieu thereof in the Constitution, viz., that "the *citizens* of each State shall be entitled to all privileges and immunities of *citizens* in the several States," was adduced in proof that the presumed defect in the expression used in the Articles of Confederation was understood and corrected by the framers of the Constitution. The several facts contained in the statement were brought forward in order to establish the time when and the age at which Mr. Gallatin had come to the United States, and to prove that prior to February, 1784, being nine

years before his election, he had become, in the usual and technical meanings of the word, an inhabitant first of the State of Massachusetts and afterwards of that of Virginia, and, as such, entitled to the privilege of citizen in the several States, or, in other words, a citizen of the United States.

It was contended, on the other hand, 1st, that the assertion that his coming to the United States at the age and time and under the circumstances above mentioned entitled him to the privileges of a citizen, was contrary to the laws of the several States, as well as to the usages and general law of nations; and, 2dly, that the construction put on the above-mentioned clauses in the 4th Article of Confederation was inadmissible, and that the term *inhabitants* therein used must necessarily be taken as applying only to such as were also citizens of the State.

That such was the opinion of Mr. Gallatin was inferred from the fact of his having thought it necessary to take the oath of allegiance in 1785, for the express purpose of being admitted a citizen of Virginia.

The case was argued before the Senate by Mr. Gallatin for himself, and by Mr. William Lewis, of Philadelphia, in behalf of the petitioners against the election. The question was afterwards discussed with much ability by Messrs. King, Ellsworth, Strong, &c., against Mr. Gallatin's eligibility, and by Messrs. Monroe, Taylor, Burr, Baldwin, &c., in favor of it, and finally decided against the election by a majority of two votes.

But this decision applied only to the subject of debate. That if Mr. Gallatin had taken the oath of allegiance before February, 1784, he would have been entitled to a seat in the Senate, or that he had become a citizen of the United States in October, 1785, and therefore prior to the adoption of the Constitution, never was or could be disputed.

After having been chosen in 1789 a member of the convention for revising the constitution of Pennsylvania, he was elected, in October, 1790, a member of the House of Representatives of that State. The new constitution provided that no person should be a representative who had not been a citizen and inhabitant of the State three years next preceding his election. Mr. G. must, therefore, have been deemed a citizen of the State in October,

1787, prior to the adoption of the Constitution of the United States, the earliest date which can be assigned for the adoption being the day of 1788, when the Constitution was adopted by nine States.

In October, 1794, a few months after the decision on his eligibility to the Senate, he was elected a member of the House of Representatives for the Congress beginning on the 4th March, 1795, to which he would not have been eligible unless he was a citizen of the United States seven years before, that is to say, on the 4th March, 1788, and prior to the adoption of the Constitution. His seat was not contested nor any doubt suggested on his eligibility at a time when all the facts connected with his right to citizenship were fresh in the memory of every person and on record. But, without reference to particular dates, if not a citizen of the United States at the time of the adoption of the Constitution, he was at no time eligible to a seat in Congress, and he must have been for ten years a member either of that body or of the Legislature of Pennsylvania contrary to the provisions of the Constitutions of that State and of the United States. For, if he was not a citizen of the United States at the time of the adoption of the Constitution, he never was and is not now one, since he has not, subsequent to the year 1785, performed any act which could bestow the right upon him. Had there been the least foundation for assuming this ground, there is no doubt that the attempt would have been made. For the part he took in Congress in the year 1798–1799 had rendered him so obnoxious to at least a portion of the party in power that an amendment to the Constitution was recommended by the State of Massachusetts and by some of the adjacent States, but arrested in its progress by the Legislatures of New York and Pennsylvania, the effect, if not the sole object, of which was to render him incapable of holding a seat in Congress.

It seems, however, to have been lately suggested that a person admitted citizen of a State prior to the adoption of the Constitution of the United States was not a citizen of the United States at the time of the adoption of the Constitution. The grounds for that opinion are not distinctly understood, but it seems altogether untenable.

The several States assumed the name of the United States in the very act by which they declared their independence; but being bound at that time by no compact, and having no common government, it was not till after the ratification of the Articles of Confederation, in the year 1781, that there could be any citizens of the United States.

The power of naturalization was not by those Articles vested in the general government, and remained, therefore, as every other power not thus delegated, with the States respectively. It was equally obvious that, unless express provision was made for the purpose, the union of the several States, whether by those Articles or by the subsequent adoption of the present Constitution, did not of itself create citizens of the United States or communicate to citizens of a State the right of citizenship in the several States. The power of granting or refusing that right to a citizen of another State would have remained as entire with the several States as that of naturalizing foreigners had no provision been introduced on the subject, first in the Articles of Confederation and afterwards in the Constitution. It was accordingly enacted, with a variation in the expression, by the Articles of Confederation, that the inhabitants, and by the Constitution, that the citizens, of each State should be entitled to all privileges and immunities of citizens in the several States. There is no other provision affecting the subject in either of those instruments, except that in the present Constitution which gives to Congress the power of establishing an uniform rule of naturalization. With the exception of foreigners naturalized in conformity with the Acts of Congress passed since the adoption of the Constitution, all native- or foreign-born citizens of the United States are such by virtue of either the one or the other of the clauses above mentioned of the Articles of Confederation and of the Constitution. Were it not for those provisions, the citizens of the several States would not be entitled to the rights of citizenship in another State unless admitted to those rights by such State; they would not be citizens of the United States. The citizens of the United States contemplated by the Constitution are, with the exception above mentioned, exclusively the citizens (or perhaps, under the Constitution, the

inhabitants) of each State, declared either by the Act of Confederation or by the Constitution to be entitled to the privileges of citizens in the several States.

The clause in the Constitution may perhaps be considered as having had a retrospective effect. This might at least be inferred from the provision which renders ineligible for Senator any person who had not been nine years a citizen of the United States, as there was no person who, strictly speaking, was such prior to the ratification of the Articles of Confederation in 1781, since which time less than eight years had elapsed when the present Constitution was organized. But the Articles of Confederation are sufficient to decide the question on which a doubt has been raised.

Under the Confederation the several States preserved, and they did exercise, the right of admitting citizens. By the 4th Article the inhabitants of each State became entitled to the privileges of citizens in the several States, or, what has been shown to be tantamount, became citizens of the United States. That provision was not at all limited to those who were inhabitants of each State at the time of the ratification of the Articles of Confederation, but was prospective, and necessarily embraced all those who might thereafter become inhabitants of a State.

The foreigners, therefore, who, during the existence of the Articles of Confederation, became inhabitants, or, taking the expression in its most limited sense, were admitted citizens of any State, became thereby entitled to the privileges of citizens in the several States, and were, to all intents and purposes, citizens of the United States at the time of the adoption of the Constitution of the United States. The contrary opinion would lead to the extraordinary conclusion that the several thousand foreigners naturalized under the laws of the States prior to the adoption of the Constitution of the United States, not being then deemed citizens of the United States, would be forever ineligible, whilst those naturalized under the Acts of Congress subsequent to the adoption of the Constitution would, as citizens of the United States, become eligible to either House of Congress.

GALLATIN TO B. RUGGLES, U. S. SEN.

FAYETTE COUNTY, PENNSYLVANIA, 16th May, 1824.

SIR,—I had the honor to receive your letter of the 1st instant, informing me that at a meeting of Republican members of Congress, held pursuant to general notice on the 14th of February last, I was recommended to the people of the United States as a suitable candidate for the office of Vice-President of the said States at the coming election.

I entertain the highest sense of the honor done me by the distinguished citizens who composed the meeting; and, if elected, I will accept with gratitude the elevated office for which they have thought it proper to recommend me to the people of the United States.

I have the honor to be, with great respect, sir, your most obedient servant.

GALLATIN TO WALTER LOWRIE.

NEW GENEVA, PENNSYLVANIA, May 22, 1824.

DEAR SIR,—Your and Mr. Ruggles's letters of 1st instant were detained one day at the post-office, and reached me at the moment of my departure from Baltimore. As I had previously written to you that I would abide by the decision of our friends in Congress and stand as a candidate for Vice-President, if they ultimately concluded that it was most advantageous for the public cause that I should be retained on the nomination, I had not believed it necessary to make a formal answer to Mr. Ruggles's notification. Indeed, I think that the great solemnity given at the last elections to the Congressional nominations of President and Vice-President, and the making it a part of the proceedings to publish the answers of the persons nominated, has been injurious to the Republican interest. It is that which has furnished a pretence to attach to the whole the odium of being an attempt to dictate to the people. Formerly those meetings were as efficient; and yet there was no publication, with the formalities

of chairman, secretary, answers of candidates, &c.; they were matters of public notoriety, with only the appearance of an understanding between the members to support the persons agreed on. I allude particularly to the two very important elections which wrested the power from the Federalists, that in 1799 of Governor McKean, and in 1800 of Mr. Jefferson, in the preparatory meetings for both of which I was an efficient member. I am sure that no answer of Mr. Jefferson, and I believe that none of Mr. Madison, was ever published. A different course originated either with Senator Bradley or General Smith as chairman of the Congressional meeting,—a useless and, I think, injurious parade. As it is, however, thought necessary, I have written an answer to Mr. Ruggles, and have said so much only to account for its delay.

I had no doubt that Edwards's charges would recoil on himself whenever the subject was investigated. The mischief consists in his short recapitulation of half a dozen broad charges, which has been reprinted in almost every newspaper of the Union, and read by everybody, whilst few only will peruse, and not all of these be able to appreciate, the conclusive answer of Mr. Crawford. I hope that the report of the committee of investigation will contain some short and pointed denial of the charges which may also be read by all.

We will have a hard, perhaps unsuccessful, struggle in Pennsylvania. As yet this part of the country seems to be divided between Jackson and Clay, with [a] few old Republicans in favor of Mr. Crawford, who is less known and is not a Western man. The opposition in this State should, I think, be directed against General Jackson as the most formidable opponent here, though not elsewhere; and I think that the correspondence, the publication of which you have forced, affords sufficient proof that, whatever gratitude we owe him for his eminent military services, he is not fitted for the office of first magistrate of a free people and to administer a government of laws. His doctrine of paying no regard to party in the selection of the great officers of government is not only in direct opposition to the principles of the Republican party and to his own opinions in 1801, whilst he was one of them, but it is tantamount to a declaration that political

principles and opinions are of no importance in the administration of government. If this is true, if talents and virtue are the only considerations to be attended to in the choice of heads of Departments and of those high offices generally (where there is necessarily much discretion, and which have a marked influence on all the external and internal operations of government), the people of the United States, Republicans and Federalists, have been in the wrong from the establishment of our Constitution to this day. The Republicans had certainly no right, if that doctrine be true, to oppose General Hamilton or to object to Mr. Adams's election. But the doctrine is altogether untrue. General Jackson has confounded the excesses to which party spirit may lead, which no one denies, but of which no party was ever less guilty than that of the Republicans of the United States, with the essence and foundation of that party, which is nothing but adherence to a set of principles and to a system of measures essential, in our opinion, to the maintenance of our free institutions, to a wise administration of our government, to the prosperity of the country, to the happiness of the people. It is for the support and advancement of all these that we deem it important to select men for the offices in question whose political opinions are not discordant with those principles and that system. Disregard that distinction, and you immediately lose sight of the principles and substitute men to measures, faction to party, and ultimately and unavoidably favoritism to a selection founded on correct political opinions and merit. I could say much more on that subject, too comprehensive for the limits of a letter. But, without dwelling on the trite though not less true observation that parties constituted as ours were watch one another and are one of the best safeguards against illegal or oppressive measures, I will add a single remark. It is not my solitary opinion, but that also of our wisest and most enlightened statesmen, that the greatest danger to our free institutions, and particularly to the permanence of the Union, will be found less in any great and real difference of interest amongst its several sections than in the disordinate ambition of individuals, especially of disappointed individuals. These are and will be more effectually kept in check and controlled by the force of party and by the bond

resulting therefrom than by any other means whatever. I am sure that this on reflection will appear obvious to you, and I come to a more tangible topic.

In avowing that he would have punished, through the medium of a court-martial, men presumed to be guilty of political offences in their civil character and who did not belong to the army, General Jackson has expressed a greater and a bolder disregard of the first principles of liberty than I have ever known to be entertained by any American, or, indeed, by any person professing himself to be either a Republican or only a friend to a government of laws. This avowal accords, indeed, with his general conduct. He entertains, I believe, very sincere but very erroneous and most dangerous opinions on the subject of military and Executive power. Whenever he has been intrusted with the first, he has usurped more than belonged to him; and when he thought it useful to the public, he has not hesitated to transcend the law and the legal authority vested in him. Hence his collisions with the judiciary at New Orleans and Pensacola, and hence his assumption of the power of making war against a foreign nation, evinced in his second capture of Pensacola and in his deliberate orders to take St. Augustine under a certain contingency; measures which he believes himself to have been perfectly correct, although they were not authorized by the Executive, and although they could not, according to our Constitution, have been thus authorized without a special previous Act of Congress. It is because he entertains and avows such opinions, it is on that ground that, without any personal disrespect or want of gratitude for his great services, it is to me incomprehensible that he can be supported by Republicans and real friends of liberty. I believe it impossible that he can be elected; but it is to me at least a deep matter of regret that he should be seriously supported in any quarter of the Union, above all in Democratic Pennsylvania. Is it possible that the people should lend arms to the enemies of their rights, to the scoffers of free government? that they should add one more proof to those with which the history of mankind abounds, and which the face of the globe and even of Europe exhibits, that, dazzled by military glory, they, the people, are naturally disposed to sacrifice their rights and liberties to the

shrine of that glory, and to substitute the worship of a chieftain to the exercise of those rights and to the maintenance of that liberty? The French, indeed, have given a late sad example in the oversetting of the republic and submission to a first-rate man. An apology might be found in inveterate habits not yet corrected. But I still hope that our fellow-citizens will dispel the delusion and prove themselves true to their former and inborn principles. They are the last hope of liberty and of man, and have the highest duties to perform. No effort should be spared to recall forcibly those truths to their minds.

I remain very respectfully, dear sir, your most obedient servant.

WALTER LOWRIE TO GALLATIN.

BUTLER, 25th September, 1824.

MY DEAR SIR,—The subject of which this letter treats has given me the most severe pain of mind. The bearer, our mutual friend General Lacock, will inform you of the situation of my family, which has prevented me from accompanying him to see you.

From the most authentic information communicated to me by our friends in North Carolina, Virginia, Maryland, Delaware, New Jersey, and New York, the most serious fears are entertained that Mr. Calhoun will be elected by the electors; or, if he should not, his vote will be so great that his chance in the Senate will be almost conclusive in his favor. On this subject I have not a feeling I would not be desirous that you should know. No man can desire your success more than I do. Still, my dear sir, I believe your chance of success is now almost hopeless; and, assuming that as a fact, what is to be done? The question has been met by a number of our friends, and they have suggested the arrangement which Mr. Lacock will make known to you. This plan has the approbation of as many of our friends as it was possible to consult, all of them your most decided friends. They are, however, afraid of your success, and wish, if possible, to have an arrangement made with Mr.

Clay, to which if he would consent, it would go far to secure the election of Mr. Crawford.

After the most deep and anxious reflection I have been able to bestow upon the subject, I would advise you to withdraw from the contest. How that should be done in case you approve of it, I do not know. Your feelings and views of the best manner of doing it would be conclusive with me. The arrangement submitted to Mr. Lacock and myself contemplated your remaining on the ticket till near the election in case Mr. Clay would consent; and if he would not consent, then for you to remain on the ticket to the last. I confess I do not like this conditional arrangement, and the letter of Mr. Dickinson makes me dislike it more. These points are all open, and I was most desirous of seeing you and getting your views upon them. In case you approve of having your name withdrawn, it occurs to me that the best manner would be in a letter to Judge Ruggles, which might be published a few days after Mr. Lacock's departure. In that case, Clay would not be informed of it till Mr. Lacock would have seen him, and his decision might be different than if he knew absolutely that you had withdrawn. If you prefer the other, however,—that is, to place your withdrawing on the contingency of Mr. Clay's co-operation,—I am perfectly satisfied. Indeed, I feel quite at a loss how to advise in the case. Indeed, in this whole communication I write under the greatest pain and embarrassment. Every step I have taken in regard to your name being placed before the nation was dictated by the purest friendship to you and the clearest sense of duty to my country. To have had any agency in placing you in a situation at all calculated to wound your feelings or give pain to your mind is to me a source of painful reflection. This, added to the perplexed state of public opinion and the uncertainty of the final result, brings with it a distress of mind I have never heretofore experienced.

I am, my dear sir, with sincere esteem, your friend.

GALLATIN TO WALTER LOWRIE.

FAYETTE COUNTY, PENNSYLVANIA, October 2, 1824.

DEAR SIR,—Your letter of the 25th of September, received on the 29th, has caused me much perplexity, not from any hesitation as to the principles which should govern my conduct, but from want of sufficient knowledge of the facts.

It is evident that I ought not to decline from mere personal motives and in order to avoid the mortification of a defeat, especially if this should be in any degree injurious to the public cause. There is in a nomination a mutual though tacit pledge, of support on the part of those who nominate, of standing a candidate on the part of the person nominated.

But my withdrawing would be proper in case my continuing to stand should either appear injurious to the election of Mr. Crawford or prevent the election of a proper person to the office of Vice-President. On either the one or the other of those grounds I consider your communications decisive so far as relates to New Jersey and New York. There may be no difficulty with respect to Georgia and any other State where the choice of electors remains with the Legislature. The embarrassment is principally in relation to Virginia and North Carolina. I am sensible that my name is in itself of no weight anywhere; but it is not for me, consulting only my feelings, to decide whether, after the active exertions of committees and individuals in favor of the two candidates nominated at Washington, the withdrawing the name of one on the eve of a popular election, and without substituting another in his place, may prove favorable or injurious to the success of the Republican tickets.

With that view of the subject, my answer to Mr. Lacock was that I would leave the decision with the central committee of correspondence for the State of Virginia. To that State I am more particularly bound, as the only one where, to my knowledge, the nomination of Washington was confirmed in full by the Republican members of the Legislature. The committee is their legitimate organ; and from their local situation they also are best able to form an opinion concerning North Carolina,

with which last State there was hardly time to consult, and whose arrangements on the subject of the election are not known to me. Our friends in those districts of Maryland which may be favorable to us might also be consulted.

I am still of the same opinion; but, considering how little time remains, and how much would be lost by corresponding with me, I enclose my declaration that I wish my name to be withdrawn, not directed to Mr. Ruggles, since he is not to judge whether and when it must be used, but intended for publication in the newspapers at the discretion of the committee for Virginia, who will of course consult, if necessary, with Mr. Van Buren on the subject.

There will be no necessity for that consultation if they think it advantageous in the Southern States that my name should be withdrawn prior to the election of electors. They may at once, in that case, publish my declaration, since it is ascertained that the effect will be favorable in the North. To me that course would be the most agreeable. The publication must, at all events, be made before the result of the election of electors is ascertained, and prior to their being elected by the Legislature of New York.

In order to avoid delays as far as depends on me, I will enclose copies of my declining and of the substance of this letter both to Mr. Van Buren, at Albany, and to Mr. Stevenson, at Richmond, to be communicated by him to the committee of correspondence, as I do not know their names. But he may be absent, and it will be necessary for you to write not only to Mr. Van Buren, but also to Richmond, enclosing copy of my declining and of such parts of this letter as will put them in full possession of the subject.

The publication of my declining should be made, as far as practicable, simultaneously in the National Intelligencer and principal State papers.

I advised Mr. Lacock against negotiating in person with Mr. Clay, as I thought that it would only encourage him to advise his friends in New York to make no compromise that would not secure him a part at least of the votes of that State for President. The only way, it seemed to me, was to convince him, by the

choice of electors there, that he had no chance for that office. This, however, was an opinion on a subject in which I can have nothing more to say.

Of your friendship, sincerity, and patriotic motives I am most perfectly satisfied. My nomination has been a miscalculation, and, however painful the result may be to our feelings, having nothing to reproach ourselves with throughout the whole transaction, there is nothing in it, save the effect it may have on the public cause, that can give us any permanent uneasiness.

I have but one observation to add. From my experience both when Mr. Jefferson was made Vice-President and when, in 1808, Mr. Clinton was re-elected to the same office, I know that nothing can be more injurious to an Administration than to have in that office a man in hostility with that Administration, as he will always become the most formidable rallying-point for the opposition.

I remain, respectfully and sincerely, your friend and obedient servant.

GALLATIN TO ANDREW STEVENSON.

New Geneva, Fayette County, October 2, 1824.

Sir,—I received on the 29th ult. a letter from Mr. Lowrie, of Pennsylvania, informing me that there was no longer any expectation of my being elected Vice-President, and that my name was injurious to the success of the Republican electoral ticket in some quarters, and that if withdrawn it would facilitate the substitution of another person in my place. My confidenee in Mr. Lowrie is great; his information with respect to New Jersey and New York appeared to be decisive; but I had doubts on the propriety of my withdrawing (a step most agreeable to my own feelings) without having more positive information on the effect it might have on the elections in the Southern States, and without the consent of those who had done me the honor to support my nomination.

I cannot better express my sentiments on that subject than by

enclosing the copy of my answer to Mr. Lowrie; and to avoid delays I enclose also a duplicate of my withdrawing, to be used in the manner stated in my letter to Mr. Lowrie.

I believe my nomination to have been a miscalculation. Having been made, I feel anxious that no act of mine should aggravate its injurious consequences to the Republican cause, whilst on the other hand I wish nothing to be omitted which can repair the evil. Had I had sufficient information I would at once have decided for myself. Deprived of it, residing in a sequestered spot, fearful of committing a mistake, I leave the decision to those friends of the common cause who appear to me the most proper persons to make it.

My feelings towards the State of Virginia are already expressed in my letter to Mr. Lowrie. I beg leave to reiterate the same sentiments to the committee of correspondence, for whom, in fact, this communication is intended, and which I take the liberty to address to you because I do not recollect the name of the chairman. I request you to have the goodness to give them both this letter and the enclosures, and have the honor to remain, respectfully, sir, your most obedient servant.

GALLATIN TO MARTIN VAN BUREN.

New Geneva, Pennsylvania, October 2, 1824.

Sir,—I received on the 29th ult. a letter from Mr. Lowrie, stating that it was ascertained that I could not be elected Vice-President, and intimating that the continuance of my name was injurious to the Republican electoral ticket in some quarters, and that my withdrawing would facilitate a plan you had in view for substituting another candidate. Although Mr. Lacock, who brought Mr. Lowrie's letter, gave me the outlines of that plan, although the information given by Mr. Lowrie himself was decisive with respect to New York and New Jersey, yet, not having seen either your letters to him or those (save one) from his other correspondents, I was left uninformed as to the effect of my with-

drawing on the elections in the Southern States. Satisfied that my nomination was a misfortune founded on miscalculation, I felt equally anxious to do no act that might aggravate the evil, to omit none that might have a tendency to remedy it. To give you my full view of the subject I cannot do better than to enclose a copy of my answer of this day to Mr. Lowrie; and to avoid delays I also enclose a duplicate of my withdrawing, to be used in the manner stated in that letter. I have written to the same effect, enclosing also a duplicate, to Mr. Stevenson, member of Congress at Richmond, and requesting him to give both to the committee of correspondence, whom I do not know. But as he may be absent, and my letter may miscarry, it will not preclude the necessity on your part to correspond with them. It is proper to add that in my letter to Richmond I have said that, as the injurious effect of my nomination in the North was ascertained, they might immediately publish my declining being a candidate if they thought this would have a favorable effect on the elections of electors in Virginia and North Carolina. On the whole, it would be fairer (if not actually injurious in that quarter) to publish immediately; and, at all events, the publication must be made prior to the appointment of electors by the Legislature of New York.

I advised Mr. Lacock not to open a negotiation in person with Mr. Clay, from a conviction that it would only increase that gentleman's hopes of success for the first office, and that the appointment of electors in New York friendly to Mr. Crawford was the only means of inducing him to decline. For the office of Vice-President I would prefer Mr. Sanford, a Northern man, a pure and unambitious man, and who is already nominated by Mr. Clay's friends to the West. But if you wish to preserve our party, have anybody in that place rather than an enemy of Mr. Crawford, such as Mr. Calhoun. I know the effect of having had Mr. Jefferson for Vice-President in 1797–1801, and Mr. Clinton, then a decided opponent of the Administration, in 1808 to his death.

I return my thanks to all my friends for their partiality and support, and have the honor to remain, respectfully, sir, your most obedient servant.

[P.S. to both letters.]

The enclosed declaration of my withdrawing, directed to no one, is rather awkward, and I do not admire coming before the public in the first person. But it is a voucher; and it may be better that the article in the newspapers should run in the usual style of "We are authorized to state," &c.

[Enclosure.]

Understanding that the withdrawing of my name may have a favorable effect on the result of the approaching election of President and Vice-President of the United States, I request that I may no longer be considered as a candidate for the office of Vice-President.

GALLATIN TO C. W. GOOCH.

New Geneva, Pennsylvania, October 7, 1824.

Sir,—Mr. Lowrie sent me, and I received yesterday, your letter to him of 15th ultimo. The first intimation on the subject I received from him or any other person was on the 29th, prior to your letter reaching him; and on the 2d instant I wrote to him and to Mr. Stevenson, M.C., at Richmond, the letters of which I enclose copies in order to guard against the contingency of Mr. Stevenson's absence from Richmond. Referring to these, I can only add, having now seen yours, which would have been decisive with me, that I am clearly of opinion that my withdrawing ought to be published immediately. This course would be most agreeable to my feelings, is the fairest with respect to the people, and is now, in my view of the subject, free of any objection. I leave, however, the decision with the committee, with the reiterated request to consult nothing but what will tend to promote the success of the Republican cause. I am personally entirely out of question, and only regret that the fact of the injury my name did to that cause had not been earlier ascertained and communicated directly to me.

I was pleased to find by your letter that you entertained the same opinion I did in regard of the intended negotiation by our

own friends and at this moment with Mr. Clay. I strongly advised against it, from a conviction that it would only tend to keep his hopes alive and to induce him to exert every nerve to persuade his friends in New York to come to no compromise that did not insure him at least a part of the votes of that State for President. The appointment of electors there can alone convince him that he has no chance of being placed on the return, and compel him to yield.

My greatest apprehension is for the State of North Carolina, where from the beginning I feared that there was great danger of the Jackson mania spreading, as in Pennsylvania, beyond the control of all the men of sense and friendly to a government of laws.

I have the honor to be, respectfully, sir, your obedient servant.

GALLATIN TO WALTER LOWRIE.

NEW GENEVA, PENNSYLVANIA, October 7, 1824.

DEAR SIR,—I received yesterday yours of 3d instant, and now return the enclosed from Mr. Gooch, which would have been decisive with me if received prior to Mr. Lacock's visit to me. You will have seen by mine of 2d instant that I had anticipated the course you recommend; and to guard against the contingency of Mr. Stevenson's absence from Richmond, I send duplicates by this mail to Mr. Gooch.

I can assure you that, excepting the momentary perplexity respecting the proper course to be pursued by me, in which your letter by Mr. Lacock put me, I have felt much less on the occasion than I think you have on my account; probably because I had anticipated a defeat from the time of the first Harrisburg convention; principally, I think, because I have long since learned that, with the exception of domestic afflictions, there was nothing in the events of this life worth any real regret where we had nothing wherewith to reproach ourselves.

With sincere respect, I remain your friend and servant.

GALLATIN TO JAMES TRIMBLE.

New Geneva, Pennsylvania, May 5, 1825.

Sir,—I had the honor to receive by yesterday's mail your letter of 23d ult., enclosing the copy of a commission appointing me one of the canal commissioners under the Act of the Legislature of the 13th of April last.

It would have been highly gratifying to me to have had it in my power to assist in promoting an object which I ever had so much at heart as the internal improvements of the State. But the situation in which after a long absence I found my affairs, and that of my family at this moment, render it utterly impossible for me to leave this vicinity at this time. I am therefore compelled, though with much regret, to decline the appointment. I request you to return my thanks to the governor for this mark of his confidence, and have the honor to be, respectfully, sir, your obedient servant.

GALLATIN TO HENRY CLAY.

Baltimore, 10th November, 1825.

Sir,—I had the honor to receive your letter of 8th instant, informing me of the President's intention to nominate me one of the ministers of the United States at the contemplated congress of Panama.

An appointment so honorable in itself would be highly gratifying to me, and it is with reluctance that I decline accepting it; but I think that I could not, without much danger, encounter a tropical climate; a consideration to which, for the sake of my family, I may be permitted to yield, as, in the intercourse with men to whom the English and French are not familiar, my usefulness would be essentially lessened by my ignorance of the Spanish language.

I request the President to accept my respectful thanks for

this distinguished proof of his confidence, and have the honor to be, &c.

GALLATIN TO HENRY CLAY.

Private.

BALTIMORE, 14th November, 1825.

DEAR SIR,—No one can be more sensible than I am both of the importance of laying the foundation of a permanent friendship between the United States and our new sister republics, and of the distinguished honor conferred on the persons selected to be the representatives of our glorious and happy country at the first congress of the independent powers of this hemisphere. But, without affecting any false modesty, I cannot perceive that I am peculiarly fitted for that mission, either by knowledge of the language, things, or men of South America, or by being known to them. My personal objection has been already stated. I had none whatever to a sea-voyage or to embarking from an Atlantic port. On the receipt of your friendly letter of the 11th, I had further private inquiries made from men thoroughly acquainted with the country, as if the object had been a commercial establishment, and without my name being mentioned. The result of these, and the decided opposition I would have to encounter in my family, compel me, though with great reluctance, to persist in declining the appointment. I will preserve a grateful sense of yours and the President's partiality in my favor, and I beg you to accept my thanks for your conduct towards me on this occasion.

GALLATIN TO T. W. COBB.

BALTIMORE, 23d January, 1826.

SIR,—I had the honor to receive your letter of 19th instant, requesting some explanatory information respecting the western boundary of the State of Georgia, as described in the articles of agreement and cession between that State and the United States.

The line as therein defined was proposed by the commissioners on the part of the State; and the two points on the Chattahoochee and on the Tennessee Rivers were shown by them to the commissioners of the United States on some maps used on the occasion.

Although, from the imperfection of all those existing at the time, it must have been presumed that the two points in question were not laid down on any with perfect precision, yet I understood that they were both well known, and could not be mistaken on the ground. That there was more than one place of the name of Nickajack I had not heard before the receipt of your letter.

The Nickajack intended by the articles of cession was represented to be very near the place where the northern boundary of Georgia (understood at that time to be a few miles south of the 35th degree of latitude) crossed the Tennessee River. It is thus laid down in Lewis's map of the United States, published in 1795. A copy of this map still in my possession was one of those used by the commissioners. I marked on it at the time the line agreed on, as well as the imperfection of the map permitted, and the blue or green color by which the then Mississippi is thereon distinguished from Georgia according to that line was put on by me. As before stated, Nickajack was considered as being laid down there with tolerable correctness; but I cannot speak so positively as to the other extremity of the line, viz., the bend above Uchee Creek, that creek not being designated on the said map, and the meanders of the Chattahoochee being certainly drawn much at random. I do recollect that there was at least one other map used by the commissioners, on which Uchee Creek was laid down; but I do not remember what it was; and either it did not belong to me, or it has been mislaid or destroyed. It was undoubtedly from that map that I must have laid down, on Lewis's map, the point of departure on Chattahoochee River above Uchee. Yet my impression, perhaps erroneous after such lapse of years, is that the point, as understood by the commissioners, was south of that laid down by me on my map. I am also under the impression that this point, viz., the first considerable bend of the river above Uchee, was represented to be from

five to ten miles above the mouth of that creek. But these impressions are but floating recollections, on which little reliance can be placed.

With these observations I transmit Lewis's map, above alluded to. That it is the identical map used at the time, and that it is the one on which I laid down the line, I know, not only from its being thus laid down, but from the boundary-lines of the several Yazoo companies being also designated on the map, which was done in the ensuing year for the use of the commissioners of the United States when that subject came before them. The estimate of the contents of the Mississippi Territory, in the report of the commissioners of the United States to Congress on the Yazoo claims, was also calculated by me, at least in part, from the same map.

My answer to your letter was delayed on account of an useless search for other maps. My collection of manuscript ones, which was valuable for the time, and amongst which there were some connected with the subject in question, had been left in the Treasury, and was destroyed in 1814. Lewis's map, herewith transmitted, being intended for the use of all the parties concerned, I will thank you to acknowledge its receipt. Perhaps it would be best to deposit it in the Department of State.

I have the honor, &c.

Copy of a certificate written by Mr. Gallatin on Lewis's map of the United States sent to Mr. T. W. Cobb.

BALTIMORE, 26th January, 1826.

Having been requested, as one of the former commissioners of the United States, to give such information as I might possess respecting the western boundary-line of Georgia as described in the articles of agreement and cession between the United States and the State of Georgia, I do hereby certify that to the best of my recollection this map is one of those which was used by the commissioners; that at the time when the agreement was made, or at farthest within one year thereafter, I laid down the said line from the Tennessee to the Chattahoochee River as it now appears on this map, and put on the blue and red colors by

which Georgia is therein distinguished from the then Territory of Mississippi, which line was thus laid down in conformity with the said articles of agreement as correctly as our knowledge of the geography of the country and the imperfection of this map permitted; that Nickajack is laid down on this map nearly where it was understood and represented actually to be by the commissioners of Georgia; but that I do not recollect, Uchee Creek not being designated on this map, from what other map, or on what authority, the point of the aforesaid line (from Nickajack to the Chattahoochee) which strikes the Chattahoochee River was laid down on this map.

GALLATIN TO HENRY CLAY.

BALTIMORE, 3d May, 1826.

DEAR SIR,—I have just received your letter of yesterday. A special mission to England suits me far better in every respect than the appointment of resident minister, which to that country is ruinous; and to abandon it on that account at the end of one year, though Mr. King does it, would be unpleasant. There are other reasons for my preference, with which I need not trouble you. It appeared to me when at Washington that, although an extraordinary mission may fail, that course apparently agreeable to the British government was also that which promised the best chance of success. And whoever may be contemplated as Mr. King's successor, it is hardly possible that one can be found who will not be better disposed to act in concert with me than Mr. K. would have been. I think that you will agree with me that, in that case, I should be first named in the special mission. To Mr. King I must necessarily have yielded, he being an older public servant than myself.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

BALTIMORE, 7th May, 1826.

DEAR SIR,—In your letter of the 2d you said, "Had you better go out in the character of a special minister, or as the successor of Mr. King? These are questions on which your wishes would have attention and friendly consideration. In either alternative it is not desired that you should protract your abode in England, &c." I was thence induced to think that the question was still open, and I answered accordingly.

On general grounds I still believe a special mission best calculated to insure success. The negotiation has already failed twice in the hands of two successive ministers resident. One vested with a similar character will have no greater weight than they had, and labor under the increased difficulties arising from that double failure. But the British government, disposed as they are to keep on good terms with the United States, would deliberate seriously before dismissing a special minister without coming to any arrangement. I know that motive to have had its effect on former occasions.

I feel at the same time the change in the aspect of the nomination arising from Mr. King's resignation, and the difficulty there may be, under existing circumstances, to persuade the Senate to acquiesce in the simultaneous appointment of a successor to him and of a special minister to negotiate; but I thought that, independently of the reason which I have given, the importance of the negotiations, the situation of the slaves commission, and the wish of the British government that two persons should be appointed on our side, afforded sufficient ground for the measure.

Of all this the President must judge, and, having expressed both my opinion on the subject and my personal wishes, it only remains for me to say that if he decides to appoint only a successor to Mr. King, vested with powers to negotiate, I will, though with lessened hopes of success, accept the appointment, with the understanding respecting the time of my return expressed in your letter.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

New York, June 20, 1826.

* * * * * * * * * *

Without taking literally what you said, that I might write my own instructions, I understood that it was intended to leave me sufficient latitude and discretion to enable me to avail myself of circumstances, and to give every chance of success to the mission. And I hope that some attention will have been paid to the memoranda I left with you.

I have the honor, &c.

J. Q. ADAMS TO GALLATIN.

Private.

Washington, June 26, 1826.

Dear Sir,—In the event of Mr. J. A. King's resignation as secretary of the legation to Great Britain, Mr. Lawrence will, at your recommendation, of course be appointed and nominated to the Senate in his place. This assurance you are authorized to give him, should you make to him the proposal suggested in your letter of the 20th instant. From the family relation existing between Mr. King and Mr. Lawrence, I presume the latter will understand that Mr. King should be left altogether to his unbiased option to form his determination.

I hope the instructions which you have received from the Department of State have been satisfactory to you. The minutes which you left with me have received full attention. I am entirely confident that any discretionary power which you may deem it advisable to exercise for the benefit of our country and the success of the mission will be cordially approved by me, and hope, in case of need, will receive all candid support from the Senate and House of Representatives as well as from the enlightened opinion of the people.

Wishing you a prosperous voyage, a satisfactory service, and

all possible contentment, political and personal, I remain, with the highest respect and regards, your friend and servant.

GALLATIN TO HENRY CLAY.

No. 1.

New York, 29th June, 1826.

Sir,—I had the honor to receive on the 26th instant, through Mr. Ironsides, your despatches Nos. 1 to 4, dated 19th to 21st of this month, together with the accompanying books and documents.

There has not been time sufficient thoroughly to examine instructions so voluminous and applying to so many important subjects; and I embark to-morrow. This must be my apology if I have not fully understood some parts of the instructions, and for any erroneous views of the subject which may be discovered in the cursory observations I beg leave to submit to your consideration.

I. North-Eastern boundary. I had understood that it was intended to confide to me the negotiation which the government of the United States is desirous to open with that of Great Britain, in order to attempt to settle the differences on that matter, and to avoid the difficulties which lie in the way of a settlement of the question in the mode stipulated by treaty. And my full powers, which must be communicated to the British commissioners at the very outset of my negotiation, authorize me to treat and to sign a convention or treaty on the boundaries generally between the two countries. But, according to the instructions, I am only authorized to try to have the subject referred to a direct negotiation at Washington; and should that attempt fail, and the British commissioners agree to the other proposal, that of a statement of the case agreed to by both parties and to be exhibited to the umpire, the modifications of that statement if it is drawn by the British government, or the preparing of it if drawn by the government of the United States, are also to be referred to Washington without any agency on my part.

This course will render my task very simple and easy, and though somewhat unpleasant to me on account of the apparent discrepancy between the powers and the instructions, I may give an explanation at the time of communicating the powers. But it seems to me that there may arise cases under which a more enlarged authority would be advantageous to the public service.

The great inconvenience of a reference to a third power is acknowledged, and much injury may arise to the United States from the manner in which the subject will be presented to that sovereign if no statement of the case is agreed on. Prussia is amongst the powers I am directed to propose. She lives in daily and deadly fear of Russia, relies for support principally on England, and has nothing to fear or to hope from the United States. Mr. Canning, in one of his notes to Mr. King, says that she is less under the influence of Russia than is generally supposed. There is little doubt that she will be the choice of England. But even if struck from our list, the same considerations, though with less force, will apply more or less to every other European sovereign. But supposing that we have an umpire who, if not altogether impartial, may have sufficient respect for character not to commit a flagrant injustice, he may find sufficient pretences to cover this in the very imperfect and improper manner in which the proceedings of the commissioners have been carried on.

At the first outset the British commissioner refused to concur in surveying and ascertaining the meridian line from the source of the St. Croix River to the point contended on the part of the United States to be the north-west corner of Nova Scotia, and he equally refused to have the residue of the boundary, as claimed by the United States, surveyed under the joint authority of the commissioners. In a suit between individuals where the title to a tract of land or certain boundaries are in question, the first order of the court is to direct a survey to be made which shall clearly exhibit the conflicting claims of the contending parties. Such survey decides no question, and is intended only to enlighten the tribunal; to place all the facts before it. In the case now under consideration, the survey of the territory,

showing the lines contended for by each party, was equally necessary, either to enable the commissioners to make a correct decision, or with a view to the contingent reference to a third power. The refusal to concur in so reasonable a demand was so preposterous that a stand should at once have been made on that ground; instead of which, if I understand rightly the proceedings, the commissioner of the United States assented to a survey, under the joint authority of the commission, of the river Restook, and to an ascertainment by barometric observations of the height of certain hills or ranges of hills; thereby seeming to admit that the extraordinary ground assumed by the British government was tenable, and, in fact, more tenable than our own. Finally, the British commissioner made a very long report to both governments, in which all the facts and arguments on that side of the question are embodied and brought together in view. And, on application for the report of the commissioner of the United States, I was informed at the office of the Department of State that there was no other but a reference to the arguments of the agent and to other papers and maps, most of which were made without the joint authority of the commission, and are only to be considered as ex-parte evidence.

These facts are alluded to only for the purpose of calling once more your attention to the very unfavorable position in which the United States may be placed before a third power. If the British government shall reject the two proposals I am authorized to make, that for a direct negotiation at Washington and that for a statement of the case mutually agreed to; and if, according to the instructions, I acquiesce in the immediate reference to a third power, you will have to decide on official reports and complete evidence on one side, and on inofficial statements and ex-parte evidence on ours, it is much to be apprehended that, with the right entirely on our side, a decision may be given against the United States and the undeniable territorial rights of the State of Maine. Every effort at least ought to be used that may avert that result, either by increasing the chance of a direct negotiation, or by raising reasonable objections against a reference unless a joint statement shall be agreed on, or all the informal or ex-parte maps, surveys, &c., on our part shall be

admitted by Great Britain as of equal weight with those on their part.

A previous direct negotiation is not provided for by treaty. If, when we ask for it, the British commissioners shall acquiesce in our demand, but insist that the negotiation shall be carried on in London, and not at Washington, I am not authorized to agree to this, and the chance of a negotiation may be lost. I beg leave to observe that, provided we can only obtain that a negotiation shall be opened anywhere, it not only gives a chance of an amicable final settlement of that important point, but it also gives us opportunities of supplying the want of a joint statement and the defects in the proceedings of the commissioners, by inserting in the protocol such paper or papers in support of our claim as will be a substitute for either, and must necessarily go as an official paper before the umpire, if a reference becomes still ultimately necessary.

Finally, the negotiation may be protracted to a certain extent, giving thereby, also, a chance of a better sense of justice and more friendly disposition pervading the British counsels; and it may ultimately be transferred to Washington, if that course should appear to both parties best calculated to promote a friendly arrangement.

With this view of the subject, I respectfully submit to the consideration of the President the following modifications to that part of the instructions:

1. That I may be authorized to open the negotiation on that point in London, in case either this should be insisted on by the British commissioners, or I should think that course most favorable to the interest of the United States. I think that I may be safely trusted in that respect. It has ever been my first wish not that business should be transacted by me, but that it should be done in the manner most advantageous to the public service. Whilst in France I did not hesitate to have the negotiation respecting discriminating duties referred to Washington the moment I was satisfied, and experience proved that my decision was correct, that there was a better prospect in that way of adjusting the differences on that subject. But I do not care how strict and limited the authority that may be given to con-

clude an arrangement. The important point at present, in my view of the subject, is to open a negotiation rather than to make immediately a final adjustment or compromise. In thus limiting the authority, the difficulty may be obviated which may arise from the necessity of consulting the wishes of the State of Maine before a conclusive arrangement can be made.

2. That, in case of a refusal on the part of Great Britain either to open a negotiation at Washington or London, or to agree to a joint statement of the case, I may not be bound to propose an immediate reference to a third power; but that I may be allowed to raise such previous objections to that reference as I may think tenable and consistent with good faith. A demand that a survey of the country in dispute, exhibiting the lines contended for by each party, should previously be made under the joint authority of both governments, or if, on inspection of the maps, arguments, &c., they shall appear sufficient, that these maps and surveys, though taken ex parte, should be admitted as if made by common consent, are the first that occur to my mind; but other objections as valid may be suggested by a further inspection of the proceedings and documents. And this is one of the reasons why I have already requested that they might all be transcribed and forwarded to me.

II. The boundary west of the Stony Mountains. The parallel of the 49th degree of north latitude will intersect the Caledonia River a short distance above its mouth, leaving the mouth to the United States, and almost the whole course of the river to Great Britain. This renders it improbable that she will accede to our proposed line without modification. A deviation not greater than what may be sufficient to give them the mouth of that river would be of no importance to the United States, and might facilitate an arrangement. The two governments being in some degree committed by the respective rejection of the line proposed by each, the pride of both may be saved by a small alteration of the line; and this consideration is in practice not to be altogether disregarded.

The time proposed for permitting British subjects to continue in settlements heretofore made south of the 49th degree of latitude seems too short. Five years are hardly sufficient to close

and withdraw from the business in which the occupants are engaged. If no adjustment of the boundaries can be concluded, and the convention of 1818 is prolonged, ten years' possession will be allowed, merely in order to prevent collisions. An equal or even longer period may certainly be allowed for the sake of coming to a final arrangement. And I should suggest fifteen instead of five years as the longest time that should be allowed for the final evacuation of the country by British traders, if that period should be insisted on, as a condition of such an arrangement. The British are excluded from any share of the Indian trade within our limits east of the Stony Mountains, not by virtue of any special treaty stipulation, but as a natural consequence of the territorial sovereignty of the United States. To provide specially for that exclusion west of the Stony Mountains does not seem necessary; but, if deemed useful, it seems to me that it should be extended to the whole Indian country, as otherwise an unfavorable inference might be drawn against our right to exclude on the east side of the mountains.

III. St. Lawrence navigation and intercourse with Canada. This subject, though perhaps less important at this time than other points of difference, and although the real interest of Great Britain does not essentially differ from ours on that question, is one of the most difficult and intricate to arrange by treaty.

Generally speaking, two courses present themselves: 1, to insist on the right and wait for a favorable opportunity to assert it, even at the risk of losing for the present the advantages which might be derived from a practical arrangement; 2, to waive for the present without renouncing the right, and to make a commercial arrangement which may remove or lessen the evils now complained of.

To look simply at the letter of the Articles A and B, the first course appears to be that which the President has determined to adopt. The Article B is stated to be a minimum, to secure the least that we can take. And it provides that the navigation of the St. Lawrence within the British dominions shall ever remain free and open to the citizens of the United States, and that, to render effectual that right, his Britannic Majesty will permit them for five years to have places of deposit at Quebec and

Montreal, and afterwards either to continue that permission, or to assign them an equivalent establishment on the banks of the St. Lawrence. Nothing more can be asked as a matter of right. It is a complete admission, though not recognition, of the right claimed by the United States, and with all the characteristics belonging to a matter of right, viz., perpetuity and want of reciprocity. In this last respect, the real reciprocity consists only in the right obtained by the British to navigate that part of the channel of the St. Lawrence which is exclusively within the United States; but they are admitted in none of the navigable lakes connected with the St. Lawrence which are exclusively within the United States, whilst the citizens of the United States are to enjoy the navigation of the St. Lawrence within the British dominions. This want of reciprocity would hardly be proposed in a commercial arrangement founded solely on mutual convenience; its propriety rests on the inherent right of the citizens of the United States to navigate the river St. Lawrence through its whole extent.

I am sure that, if this is the ground really intended to be adhered to, I can add nothing to the forcible argument urged by Mr. Rush, and I certainly can entertain no hope of succeeding better than he did. Neither this nor any of the preceding observations is made for the purpose of raising any objection whatever against that course, if it has been decided on. I only fear that I may mistake the object in view. Perhaps it is not intended that I should strictly adhere to the Article or Articles A and B. There are several passages in the instructions whence it might be inferred that the intention was to waive the right for the present without renouncing it, and merely to make a temporary practical arrangement. Thus it is there said that it is more agreeable to turn from a protracted discussion which, although we are entirely confident of having the right on our side, may terminate by leaving each party in possession of the same opinion which he entertained at its commencement, to the consideration of some practical arrangement which, if possible, shall reconcile the views of both, and that the mutual interests of the two countries, independently of any considerations of right in the navigation of the St. Lawrence, should produce an arrangement satisfactory to

both parties. And again, though literally limited to the Articles A and B, it is anticipated that such an arrangement may be made when, without any authority to discuss them, I am instructed to take any counter-proposals which the British government may offer for reference to my own. For what purpose is that reference if in fact the Article B secures the least that the United States can take?

But if the reference alluded to is only intended as an act of courtesy towards the British government, if it has been determined not to treat on the subject of the navigation of the St. Lawrence, properly so called, unless the substance of the Article B and which is common to the Article A can be obtained, I do not understand what objection there can be to secure by a treaty stipulation, if practicable, that exemption from duties of our produce or of the principal articles of it when imported into Canada, which it seems it would be satisfactory to obtain, though with no better guarantee than some assurances of the British government. This exemption, or at least a considerable reduction of the rate of such duties, would be a mere commercial regulation, unconnected with and not at all affecting the question respecting the right of navigating the St. Lawrence, and would, it seems, afford at this time more relief than any other measure. It is in fact nothing more than confining the treaty stipulation to the subject-matter of that paragraph of the Article A which is not common to the Article B. I have been led to take this view of the subject from the perusal of the report of the committee of the Legislature of New York, dated March 28, 1825. Though they may not be authority on questions of international law, they must certainly be allowed to understand the practical question, the interest of their constituents, the real grievance of which they complain, the remedy which will remove it.

In that report the committee say expressly that "the right to navigate the St. Lawrence can be of very little use to us unless we are allowed to trade at Montreal, and that our trade there is placed on a liberal footing;" and again, alluding to the right of deposit, that "it will afford a very uncertain and feeble protection to our Northern citizens." The reasons for both opinions are given at large in the report, and they appear to be correct, so

far at least as relates to the lumber trade, which, since the great canal is navigable, constitutes almost the sole object, and for a long time will continue to be the principal object, of exportation from the United States to Canada. To be liable to no duty or to an inconsiderable duty there, is the only efficient remedy to the evil, unless resort be had to retaliation.

It would follow that if, contrary to expectation but in conformity with the instructions, the Article B was to become part of a treaty, it would for the present afford no relief to the inhabitants of the St. Lawrence country. And we would, moreover, lose thereby what is considered by them as the only mode of obtaining redress, since the British obtaining by that article the right of navigating that channel of the river St. Lawrence which is exclusively within the dominions of the United States, their exclusion therefrom could no longer be used as retaliation for the purpose of compelling them to repeal the extraordinary duties complained of. This, it will be perceived, is another difficulty in the way of an amicable arrangement on that subject. Had I any opinion to give upon it, it would be this:

First, to determine whether it is best to adhere to the right of navigating the river St. Lawrence without compromise, or to waive the right for the present, but without renouncing it.

In the first case, to try to obtain by treaty an exemption or considerable reduction of duty on the principal articles of our produce exported into Canada, stipulating a reciprocal exemption or reduction on similar Canadian produce, including fur, imported into the United States, and to be silent on the subject of the navigation of the St. Lawrence, unless the British assent to give up the point in the manner provided by the Article A.

In the second case, to try to make a temporary arrangement, both for the navigation and for the importation of our produce, similar in substance but not in form to the Article A. But to give this any chance of success there must be reciprocity, and I apprehend that the British would ask the right to navigate Lakes Champlain and Michigan, to which there may not be any objection, provided there is an express provision against this giving them the right of participating in the trade with our Indians.

In no case whatever to propose the Article B.

IV. Colonial trade. Not having the late Acts of Parliament, and on account of the many details belonging to the subject, I cannot say that I understand yet fully the scope of the instructions. One branch only has struck me, because it was new to me. It relates to the claim of carrying colonial produce in American vessels to any foreign other than British ports. In case the British should refuse this privilege, or decline the offer of a general abolition of discriminating duties everywhere and without regard to the nature or origin of the merchandise, I am instructed to have a clause inserted reserving the right to each party to restrict the trade between the United States and the British colonies to the direct intercourse between them. I wish to understand precisely what is meant by these last words. Is it intended to prevent British vessels coming to the United States from the British colonies from going from the United States to any other port, British or foreign, than the British colonies? or to prevent any British vessel, unless she has come from the British colonies, from sailing from the United States for the said colonies? or is any other restriction contemplated? A clause in general words may be proposed; but explanations respecting its operation will be asked.

V. Articles proposed to Mr. Rush by the British commissioners at their twenty-second conference. I presume that, these articles being generally for the convenience of Great Britain, though authorized to accede to several of them, this is discretionary, and not to be done unless a satisfactory result has been obtained on other points.

But permit me to add some observations on some of those articles. 1. Mutual delivery of criminals. This subject of extradition has ever been in practice one of the most delicate and difficult of the law of nations. Even when free of many abuses, and confined to the offences of murder and forgery, the surrender of a citizen will ever be odious, and even that of an alien unpopular. National pride may feel interested in the question; but the difference between our penal codes and that of Great Britain, and those perhaps existing in the administration of justice in the two countries, form a solid objection. Questions on

the evidence in support of the demand for surrender perpetually arise in the countries where the principle has been adopted. The article of the treaty of 1794 with Great Britain, which embraced a similar provision, was originally opposed as interfering with State rights, and the only attempt within my knowledge to carry it into effect was not fortunate. The case of Jonathan Robbins gave rise to two important questions: Was the act committed murder, for which the man should be surrendered? or piracy, according to the law of nations, for which he was punishable and ought to be tried in the United States? Ought his claim to be a citizen of the United States to have been examined before he was surrendered? The excitement caused by the surrender of this man, its effect on popular opinion, are well known. Is it wise, is it sound policy, on a question of doubtful utility and minor importance, to awaken ancient recollections and feelings,—perhaps to endanger a whole convention in other respects acceptable?

2. Deserters. The surrender of those belonging to the navy has, by every successive Administration, been considered as intimately connected with the question of impressment, and as a concession to Great Britain, not to be made unless she expressly renounced her pretensions to impress on board the vessels of the United States.

3. Protection to merchants in case of war. This article is unexceptionable, but does not go far enough. The protection should be extended to all vessels belonging to either party and being in the ports of the other party at the time of the war being declared or known. The United States acted on that principle at the commencement of the last war, whilst Great Britain seized and condemned the American vessels in her ports. Indemnity was afterwards refused, and the distinction maintained between property on shore or floating. To abolish this should be insisted on on our part.

I have not time to transcribe or to correct; and this letter bears evident marks of the haste with which it has been written. Whilst I request that the observations it contains may be respectfully submitted to the President, I need hardly add that, in the mean while, the instructions shall be faithfully executed

to the best of my abilities. But it is a matter of considerable regret that they had not sooner been made known to me.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

New York, 30th June, 1826.

Dear Sir,—I have this moment received your friendly letter of the 26th instant. I regret that I cannot say that my instructions are satisfactory. They are on almost every subject of the most peremptory nature, leaving no discretion on unimportant points, and making of me a mere machine. They presuppose that every subject has a priori been so completely analyzed that it is not susceptible of any other modification than those suggested in the instructions; that nothing must be left to unforeseen circumstances; that nothing will arise from the proposals that may be made by the other party; that no new mode of adjusting a difficult point can occur to the agent; that nothing must be left to his discretion. I have, in a letter dated yesterday, stated some of the inconveniences which it appeared to me were likely to arise from a strict adherence to the instructions. This was necessarily done in great haste. On some points I may be mistaken; on others I feel great confidence that I am right. I am sure that an enlargement of the discretionary power would be of public and great utility. By obeying the instructions as they are to the best of my ability, I shall have performed my duty and be discharged of any responsibility. But I seriously fear that this course, notwithstanding my best and most faithful endeavors, will be injurious in some important points, and produce a failure in others. I am far from saying that even with an extension of power I will succeed; but I am sure it will make the chance of success much greater.

You have been pleased to express your confidence that any discretionary power which I may deem advisable to exercise for the benefit of the country and the success of the mission would meet with your approbation. But how can I do this safely or

even lawfully under the present instructions? It is not difficult to remove this difficulty. Let it only be officially announced to me, in answer to my letter of yesterday, that the instructions are intended to guide but not absolutely to bind me; that they express the views of the subject entertained by the Executive, but that I may nevertheless, either generally or as to the points adverted to in my letter, or as to some of them, or under other limitations that may be deemed proper, exercise a reasonable discretion. I am not afraid of incurring responsibility where discretion is allowed, but I cannot do it in the face of strict and positive injunctions.

Whatever may be decided in that respect, you may rely on my zeal and the sincerity of my endeavors in bringing the subjects of difference with Great Britain to a favorable issue.

Accept, I pray, my best wishes for the success of your Administration and for your personal welfare, as well as the assurance of the high respect and sincere regard with which I have the honor to remain, dear sir, your friend and obedient servant.

GALLATIN TO HENRY CLAY.

No. 3.

LONDON, 19th August, 1826.

SIR,—I arrived here on the 7th instant, and addressed on the ensuing day a note to Mr. Canning, of which and of his answer copies are enclosed.

Mr. Huskisson and Mr. Addington are out of town; and it is not probable that a negotiation with those gentlemen can be opened before the middle of next month.

Of the important events which have taken place in Europe since my departure from the United States I have as yet no other information than what is derived from newspapers.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 5.

London, 28th August, 1826.

Sir,—The unexpected order in council for interdicting the intercourse in American vessels between the United States and the British colonies in South America and the West Indies placed me on my arrival in a more difficult situation than had been anticipated.

It was evident that that act would produce a similar one on the part of the United States, to interdict the same intercourse in British vessels; it was probable that the indirect intercourse through New Brunswick and Nova Scotia would not be permitted by my government; but I could not judge whether any further steps might be deemed necessary.

Although without instructions on that unforeseen contingency, and although the order in council did not appear to infringe any positive right of the United States, I thought I ought not to be silent on the occasion, since this would be construed as acquiescing in the unsatisfactory explanations given by Mr. Canning.

I have, accordingly, addressed to him a note, of which a copy is enclosed.[1] In this I have simply exposed the nature and true import of the order in council, avoiding to say anything that might impede a negotiation, and leaving the course open for any further measures which the President may think proper to adopt. The opportunity was at the same time taken to state the reasons for the delay in renewing the negotiations, and why an Act had not been passed for placing the navigation and commerce of the British possessions abroad upon the footing of the most favored nation. This was deemed the more important, as I cannot assign any other rational motive for the suspension of the intercourse but a desire to regulate it altogether by Acts of Parliament, without leaving us any other option than that of either accepting such Acts in toto and without any modifications, or of having no intercourse whatever with the British colonies. This conjecture is strengthened by the tenor of the

[1] See American State Papers (Foreign Relations), vi. 249.

third article of the British counter-project offered to Mr. Rush in the year 1824.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 8.

LONDON, September 13, 1826.

SIR,—After we had, in the conference of the 11th instant with Mr. Canning, disposed for the present of the subject of the proceedings of the commission appointed under the St. Petersburg convention, Mr. Canning informed me that he had prepared an answer to my note of the 26th of August, relative to the order in council of the 27th of July, and that I would receive it either that evening or the ensuing day. He then said that the government of the United States seemed to have considered the intercourse with the British colonies as being of the same nature with that with Great Britain itself, and which ought, therefore, to be adjusted by mutual arrangement. Great Britain could not consider it in that view. An intercourse with her colonies was only permissive, and accordingly regulated by her own laws. I asked whether this was only the declaration of an abstract right, or whether I was to understand that it was the intention of Great Britain to act accordingly, and to decline entering into negotiations with the United States on that subject; to which the answer was immediately given that such was the intention of his Majesty's government.

I replied that, this declaration being important and altogether unexpected, I must wait till I had received Mr. Canning's intended note before I could express an opinion upon it. I would only observe at present that every species of foreign trade was permissive. There was no nation that had not and did not exercise the right of regulating the intercourse of foreigners with its own territories, wherever situated. And yet almost every nation had found it convenient, if not necessary, to adjust that intercourse by conventions or treaties. So long as the colonial system was preserved entire, every species of intercourse with

foreign nations was altogether prohibited. Whenever it suited the policy of a nation having colonies to open that intercourse, the same question would recur as with respect to home possessions, viz.: Was it more convenient to regulate it by mutual arrangements than by the conflicting laws of each party? In the present case it had always been thought that an intercourse between the United States and the British West India colonies was beneficial, and therefore a proper subject for negotiation. And accordingly there had never been a negotiation of a commercial nature between the two countries in the course of which the subject of that intercourse had not been taken up. The determination now communicated to me was, therefore, entirely unexpected, and avowed a change of policy.

Mr. Huskisson said in reply that, generally speaking, it had been the constant usage of nations to make commercial treaties respecting the intercourse with territories which were not colonies, but that, on the contrary, it had never been customary to make such treaties respecting colonial intercourse. This had always been considered as a subject exclusively belonging to the mother-country. Great Britain never had—he did not know of any nation that ever had—made a treaty on that subject. It was true that, so long as a partial intercourse was admitted by England between her colonies and the United States only, it had been attempted, but without success, to regulate it by a conventional arrangement. But a material change had taken place in her policy; and I understood Mr. Huskisson to say that he had, during the negotiation of 1824, given notice to Mr. Rush that such a change was intended. The British colonies were now opened on certain conditions to all nations, and Great Britain could not enter into arrangements on that subject with the United States without exposing herself to much inconvenience with respect to other nations.

Mr. Canning, in allusion to my having stated in my note to him that the delay in renewing the negotiations must in a great degree be ascribed to Mr. King's state of health, added that, according to information received from Mr. Vaughan, the Secretary of State at Washington had told him that he could not have instructions prepared for that subject before the month of

last May. To this I replied that I had spoken in general terms, and that the cause I had assigned was, as I understood, that of the delay in preparing the instructions. I was not, however, at all prepared to discuss the subject; and it was only for the sake of information that I would ask whether it was also intended to decline a negotiation as respected the intercourse by inland navigation with Canada. To this Mr. Huskisson answered that, the British North American colonies being adjacent to the United States, there was no objection to treat of the intercourse by land or inland navigation on the ground of mutual convenience, but not on that of a right on the part of the United States, a subject on which the British government had given their answer in 1824.

The objects of negotiation were then mentioned by Messrs. Canning and Huskisson to be the renewal of the convention of 1818, the boundary west of the Stony Mountains, and the North-East boundary. I said that I reserved the question (on which I had not yet formed an opinion) whether, on account of the refusal to treat of the colonial intercourse, I ought to refer to my government the propriety of renewing the convention of 1818. No observation was made on the Western boundary. Concerning the North-East boundary, Mr. Huskisson said that, for the purpose of reference to a third power, it seemed necessary that we should agree to some kind of statement whereby some distinct and intelligible questions should be submitted to the umpire for the decision.

On my asking at what time the British commissioners would be ready to open the negotiation, Mr. Huskisson expressed his utter reluctance to do it now, it being the only time allowed him and his colleagues for relaxation, and mentioned November as sufficiently early for every purpose. He added that the meeting of Parliament would be no impediment to our transacting business. I said that I was of course ready at any time, and that the earliest day would suit me best; and I alluded to the time when Congress must necessarily adjourn. But I abstained from pressing further that point, as it appeared certain that he would have refused altogether an earlier meeting than he proposed; and, as the colonial intercourse was out of the question, there

was no advantage, with the apparent temper, in the immediate discussion of any subject.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

Private.

LONDON, 13th September, 1826.

DEAR SIR,—I wrote this day to the Secretary of State announcing that this government is disposed to offer £250,000 in lieu of the indemnity which might be obtained under the slave convention. The fact is, that the inofficial proposal was received last afternoon, but marked as a private and confidential communication, not to be either made public or used hereafter in argument in case it was rejected. There was annexed an estimate in substance as follows:

Principal of claims, allowing all the indisputable and one-half of the doubtful,	£180,000
one-half of twelve years' interest at 5½ per cent., on the ground that two questions might be referred, whether interest or no interest, and whether at 6 or at 5 per cent., allowing half the chances to be ours,	59,400
To cover, and will more than cover, the interest accruing on instalments payable after 1st May, 1827,	10,600
	£250,000

The instalments to be £100,000 on May 1, 1827; £100,000 on 1st November, 1827; £50,000 on 1st May, 1828.

Mr. Addington, who left the proposal whilst I was out, sent me a note stating he was not charged with any farther communication on the subject, and that Mr. Canning had informed him that the proposition in question was the only one he could have occasion to submit to my consideration. This is all I have to say in addition to the contents of my letter to Mr. Clay, to which I beg leave to refer. I am in great haste in order to be in time for this week's Liverpool packet. With great respect, &c.

P.S.—I believe that the principal difference between the

above estimate of principal, £180,000, and that of Mr. Cheves, £200,000, arises from the British government placing the Louisiana slaves, valued at about £32,000, amongst the doubtful claims, and of which (a reference having been asked on that point) we would have the chance of only one-half. I believe the estimate of Mr. Jackson of indisputable claims to be £140,000.

GALLATIN TO HENRY CLAY.

No. 10.

LONDON, 14th September, 1826.

SIR,—I received last night at ten o'clock Mr. Canning's answer (dated 11th instant) to my note of the 26th of August. It is much too long to be transcribed in time for this packet. In hopes that this letter may yet reach Liverpool in time, I enclose a transcript of the last paragraphs, which is all that I have time to do.

The enactment alluded to in the first line of the enclosed transcript is that clause of the Act of Congress of 1823 which I had overlooked in my note of the 26th of August to Mr. Canning, and which provides in substance that no British ship entering an American port from the United Kingdom or from any other British possession, except directly from the West India colonies, shall be allowed to clear out from any port of the United States for any of those colonies. It is made a prominent reason for the course now adopted by this government, that this clause was suffered to remain in force after the restrictions of the Act of Parliament of 1822, on which it was professedly founded, had been done away by the Act of Parliament of 1825, and I understand that enactment to be the pretension, recorded in the Act of Congress aforesaid, which, so long as it remains the law of the United States, will prevent the British government from consenting to any renewal of the negotiation upon the colonial intercourse.

In your instructions to me you observe, in relation to the Act of Parliament of 1825, that according to its provisions "the foreign vessel is restricted to a direct intercourse between the

country to which it belongs and the British colony, adhering in this respect to the old principle of her Navigation Law."

I am thence led to infer that it was not understood that the restriction was done away by the Act of Parliament, and that to that circumstance must be ascribed the continuance in force of the corresponding restriction of the Act of Congress of 1823.

Mr. Canning's note is not written in the most assuaging manner, and there are at least some observations which might have been omitted. I will take my own time to answer it.

I have not time to add anything more, and have the honor to be, &c.

GALLATIN TO HENRY CLAY.

No. 12.

LONDON, 20th September, 1826.

SIR,—I have now the honor to enclose Mr. Canning's note of the 11th instant, on which I will for the present abstain from making any comments. But there is a subject on which I request to be instructed as soon as possible.

My instructions were prepared without any expectation of the measures since adopted by this government on the subject of the colonial trade. Is it still intended that the convention of 1815, renewed in 1818, should be now again renewed?

Experience has indeed shown that, as far as relates to navigation, the result of that convention is highly favorable to the United States. Yet I cannot judge of the effect which the apparent determination of this government to exclude them altogether from the colonial trade, open to all other foreign nations, may or ought to have on the general policy of America towards Great Britain.

I have also some reason to believe that some modifications will be proposed to the convention. From Mr. Huskisson's declaration in Parliament, and from some expressions of Mr. Addington in a conversation with him, it seems probable that the principal of those modifications will be the proposal to allow the importation from the United States and in American vessels of goods the produce of any part of the world, on condition of

the like privilege being granted to British vessels in the ports of the United States, and in both cases without any discriminating duties.

This would accord with the spirit of my instructions, and is consistent with the policy of the United States. The only question is whether, supposing the convention to be renewed, a proposal which will apply to the intercourse between the United States and only the European dominions of Great Britain should be accepted. I would rather incline to the affirmative, if the convention is to be renewed at all.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 13.

London, 22d September, 1826.

Sir,—I have the honor to enclose the copy of my answer to Mr. Canning's note of the 11th instant, relating to the order in council of 27th of July last.

It would have been easy to make it much longer; but it appeared to be unnecessary to repeat in detail arguments which have been so often brought forward; and the only difficulty consisted in selecting and condensing such as could not in a reply be omitted. The ground is left open for my government to give to the world a more comprehensive view of the whole subject, if they shall think it worth their while.

On three points we were perhaps vulnerable: 1, the delay in renewing the negotiation; 2, the omission of having revoked the restriction on the indirect intercourse when that of Great Britain had ceased; 3, too long an adherence to the opposition to her right of laying protecting duties. This might have been given up as soon as the Act of 1825 had passed. These are the causes assigned for the late measures adopted towards the United States on that subject; and they have undoubtedly had a decisive effect as far as relates to the order in council, assisted as they were by the belief that our object was to compel this country to regulate the trade upon our own terms.

But even this will not account for the refusal to negotiate, and the apparent determination to exclude us altogether hereafter from a participation in the trade of the colonies. There is certainly an alteration in the disposition of this government towards the United States since the year 1818, when I was last here. Lord Castlereagh and Mr. Robinson had it more at heart to cherish friendly relations than Mr. Canning and Mr. Huskisson. The difference may, however, be in the times rather than in the men. Treated in general with considerable arrogance till the last war, with great attention if not respect during the years that followed it, the United States are now an object of jealousy; and a policy founded on that feeling has been avowed. I beg leave to refer on that point to the enclosed speeches of Mr. Huskisson, particularly to those of 21st March, 1825, and 12th May, 1826, in which you will also find in substance much of what is contained in Mr. Canning's note of the 11th.

I had at first been tempted to allude to this in my answer, the latter part of which on reflection I suppressed, as upon the whole it did not appear necessary to tell them that we understood their policy, since they cannot doubt it; or what would be the obvious consequence of its being pursued, as this is a subject better to be treated verbally. A copy of the suppressed part is enclosed, on account of its references to Mr. Huskisson's expressions.

As it appears to me to be the true interest of both countries to come to some arrangement on that subject, I believe that this will ultimately take place. Some time must be allowed to assuage the feelings which have been generated on both sides. The British West India colonies cannot be supplied on reasonable terms from Europe; and their North American colonies have not a sufficient surplus of their own for this purpose. That surplus imported here from Canada amounts to about 100,000 quarters of wheat, equivalent to 160,000 barrels of flour. Prior to the introduction of wheat from Canada into England on a moderate duty (5 shillings per quarter) the importation did not exceed 20,000 quarters, and it was allowed that we supplied the British West Indies with two-thirds—I think myself with seven-eighths—of their consumption in flour.

I told Mr. Canning that their attempt was nothing more than an experiment to give to their colonies the benefit of the corn laws, which it is understood that the Ministry wishes to have repealed here. They have but a single weapon to enable them to hold out,—the extension of the warehouse system in Canada, —and, if this should prove insufficient, a repeal of the duties now laid there on produce imported by inland navigation will give them the command of the whole that is raised for exportation in that portion of the United States bordering on the Lakes and on the St. Lawrence. It cannot be concealed that both that section and Upper Canada are susceptible of a rapid and great increase in population and natural product. We also know that under the operation of the Acts of Parliament and of Congress now in force our commerce with the British West Indies is much less than formerly. Our exports to those colonies, on the average of the years 1802, 1803, 1804, amounted annually in value to six millions of dollars, and Demerara and other conquered Dutch colonies are not included. One-half of this amount consisted of flour, corn, meal, rice, and other vegetable provisions. The total amount of these last-mentioned articles exported to those colonies, including Demerara, and to the British North American provinces, did not in the year 1825 exceed 1,100,000 dollars, a difference which cannot be accounted for by the reduction of prices alone. In the former years our exportation of articles now prohibited, consisting chiefly of salted fish, pork, and beef, amounted annually to 1,600,000 dollars. It is true that, although the trade is now much less important than formerly, the want of a market for our agricultural produce in the grain-growing States is now much more severely felt than then.

Viewing the question only in a commercial light, I should think it would be best not to betray too much anxiety, and to be satisfied with the prohibition of the intercourse as already provided for by law.

It is possible that no answer will be given to my note, improbable that any can be prepared before Mr. Canning's return. It cannot be expected that I will have anything material to communicate before the commencement of November.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

London, 18th October, 1826.

Dear Sir,—I had intended next spring, before my return to America, to have made an excursion to Paris once more to see some of my friends. Mr. Canning's absence and the dispersion of the other members of the Cabinet having left me literally without anything to do here, I embraced what was the most favorable opportunity of making that journey, from which I have just returned. My letter of yesterday to the Secretary of State contains the substance of the information I was able to collect there; and I will now add some particulars which, as they involve the names of individuals, I did not wish to remain of record in the Department of State.

In the course of a long conversation with Pozzo di Borgo, the state of our relations with Great Britain was alluded to. I told him that the Emperor's decision in the case of slaves carried away and the convention relative thereto had not been carried into effect by Great Britain in conformity with what we considered their real intention and meaning; that the British government had offered to compromise the matter by payment of a sum of money which fell short of our expectations; but that we were nevertheless inclined to accept it, principally on account of the reluctance we felt to trouble the Emperor by an appeal asking from him further explanations of his decision. Pozzo immediately expressed his wish that we might compromise or otherwise adjust the matter without making such an appeal, which, particularly at this time, would be, as he thought, extremely inconvenient to the Emperor; and speaking of the Maine boundary question, with which and its possible consequences he appeared well acquainted, he appeared also desirous, though he did not express himself as positively as on that of slaves, that Russia should not be selected as the umpire. I only observed that if there was any inconvenience in being obliged to make decisions which might not please both parties, that inconvenience was less to Russia than to any other power, and that a compensation for it was found in the additional degree

of consideration accruing to the monarch in whom such confidence was placed. All this, however, corroborates what I have stated in my official letter respecting an approximation between Russia and Great Britain, and the disposition of the Emperor to interfere less than his predecessor in affairs in which he has no immediate interest.

The most remarkable change discoverable in France is the extinction of Bonapartism, both as relates to dynasty and to the wish of a military government. This, I am happy to say, appears to have had a favorable effect on our friend La Fayette, who was very ungovernable in all that related to petty plots during my residence at Paris as minister, and to whom I had again spoken on the same subject in the most forcible manner whilst he was in America. His opinions and feelings are not changed; but he appears to be thoroughly satisfied of the hopelessness of any attempt to produce a change at present; and he confines his hopes to a vague expectation that, after the death of the present King and of the Dauphin, the Duke of Orleans will dispute the legitimacy of the Duke of Bordeaux and become a constitutional king. This is such doubtful and distant contingency as is not likely to involve La Fayette in any difficulties.

Mr. de Villèle complained to me of those expressions in the President's message which declared Hayti to have placed herself in a state of vassalage to France, as calculated to increase the dissatisfaction amongst the people of the island at the late arrangement. He said that he was aware of the objections of a very different nature which we had to a recognition of the independence of Hayti, but did not see the necessity of alleging the reason alluded to. As I did not wish and did not think it at all proper to enter into any discussion of the subject, I answered, as if in jest, "qu'un tribut, imposé à une colonie comme le prix de son indépendance, était contraire aux grands principes." I forgot to mention the circumstance to Mr. Brown, and do not know whether the thing had already been complained of to him. If so, its being repeated to me—and they were almost the first words Mr. de Villèle addressed to me—shows that it must have made a deep impression on the French government.

This reminds me that I received here a communication from a respectable quarter stating that, a few days before the publication of the order in council of July last, one of the King's Ministers had complained to a confidential friend of the general tone of the American (United States) diplomacy towards England, still more so as respected manner than matter, and added that it was time to show that this was felt and resented. As to manner, the reproach cannot certainly attach either to Mr. Rush's or Mr. King's correspondence; and I know, from a conversation with Mr. Addington, that in that respect Mr. Clay's has been quite acceptable. On looking at your own communications, I am satisfied that those to the British Ministers can have given no offence whatever, and that what they allude to and which has offended them is your instructions to Mr. Rush, printed by order of the Senate, and which have been transmitted both to Mr. Canning and to Mr. Huskisson; a circumstance, by the by, not very favorable to negotiations still pending. That they have no right to complain of what you wrote to our own minister is obvious; still, I think the fact to be so.

I forgot to mention in my letter of yesterday to the Secretary of State that there is some alarm amongst the legitimates about a plan of Metternich to change the line of succession in Austria, on a plea of the presumed incapacity of the heir presumptive; and that the King of the Netherlands has at last, by his unabated and exclusive attention to business and by his perfect probity and sincerity, so far conquered the prejudices of the Belgians as to have become highly respected and almost popular amongst them.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 15.

LONDON, 21st October, 1826.

SIR,—Mr. Canning having, in his note of the 11th ult., expressly stated that the restrictions on the indirect or circuitous intercourse in American vessels between the United States and the British West Indies had, from January last, been removed

by Great Britain, I could not but take it for granted that he understood the Acts of Parliament better than we did; besides which, there was in the 4th Section of the Act of the 5th July, 1825, a reference to a law of navigation permitting foreign ships to export goods from British possessions abroad to any foreign country whatever; and Mr. Canning had verbally informed me that he had submitted his note to the law officers of the Crown.

In my answer of the 22d ult. I therefore conceded that I had, and admitted that my government might have, overlooked the provisions of the Acts of Parliament to that effect.

I have not yet, nevertheless, been able to discover the Act by which the restrictions alluded to, and which were imposed by that of the 24th June, 1822, have been removed. It is not of 5th July, 1825, which contains no enacting clause to that effect, but only the general reference above mentioned; nor is it that of 27th June, 1825, the 6th Section of which in its utmost latitude does not embrace vessels of the United States.

I do not mean to say that the provision respecting the said restrictions may not be found in some Act which has hitherto escaped my research. But, as I cannot obtain satisfactory information till after Mr. Canning's return; as there is a bare possibility, however improbable in itself, that he may have committed a mistake; and as letters by this packet may be the last that will reach you before the meeting of Congress, I thought it best to let you know the fact that I had not yet discovered the Act in question, in order that, in any communication which may be made by the President on the subject, such guarded language may be used as will avoid commitment either way. I should think that, unless you have been more successful in your search than I have been, you may with truth say that the existence of an Act of Parliament repealing the restrictions in question is no otherwise known to the government of the United States than by Mr. Canning's declaration in his note aforesaid.

I have the honor, &c.

GALLATIN TO HENRY CLAY.[1]

No. 16.

London, 27th October, 1826.

Sir,— . . . Although there is no prospect that any arrangement will shortly take place on that subject, yet it is desirable to be prepared for any contingency. And I wish that the President would take into consideration whether, supposing an arrangement either by convention or by mutual modification on both sides of existing laws or regulations to be practicable, it would be proper, so far as relates to navigation, to agree to the terms contained in the Acts of Parliament.

The most important of the restrictions on the indirect or circuitous trade—that which limited the exportations from the British West Indies in American vessels to the United States—has been repealed, and there remain but two. Such exportations cannot be made in American vessels to Great Britain or her dependencies; a point on which we cannot insist, and which is already given up by the instructions; and the importations into those colonies of American produce must, if made in American vessels, be direct from the United States. Is it necessary on that account to insist on the right of preventing British vessels, other than those coming direct from the colonies, from clearing from the United States for those colonies? Or, in other words (for it is clear, with such a resolution, no arrangement is practicable), is it worth while on that account to continue to cut off altogether the intercourse between the United States and the British colonies? On that question I beg leave to submit two observations: 1st. The right of importing produce of the United States into the British West Indies from other places than the United States is in itself of no great value. It might occasionally be convenient, when the market of Cuba or of other ports in the Gulf of Mexico was glutted with American produce, to have a right to take it in American vessels to the British West India ports; but it is but rarely that these will not, from the same causes, be also glutted at the same time, and that the expense of a double

[1] The beginning of this letter is printed in American State Papers, vi. 294.

voyage and freight could be incurred. 2dly. Whilst contending for a nominal reciprocity, we must acknowledge that the other party must consider how far this reciprocity will be real. It is now ascertained that four-fifths of the tonnage employed in our intercourse with Great Britain itself are American, and only one-fifth British. Considering the species of population, the climate and commercial capital of the West Indies, and the distance of Great Britain, it is utterly impossible that the direct intercourse between the United States and the British West Indies should not, with equal duties and charges on the navigation, be carried on in a still greater proportion in vessels of the United States. The only compensation in that respect to Great Britain is to be found in the circuitous voyages which British vessels may make from that country through the United States to her West India colonies. And I feel quite confident—I think every man acquainted with the subject will be of the same opinion—that even granting them that privilege will leave more than three-fourths of the intercourse to our vessels.

I apprehend more danger from another source. Unless the rate of duties on our produce when imported direct from the United States into the West Indies, as compared with that laid on it when imported from the British North American colonies, can be limited by convention, it appears to me doubtful whether an understanding without convention would not be preferable. At present our flour imported direct from the United States into the British West Indies pays five shillings per barrel. If imported into Halifax, St. John's, or Bermuda, and there warehoused, it pays no duty; and if re-exported thence to the British West Indies, which under existing laws can be done only in British vessels, it pays there only one shilling per barrel. This difference of four shillings may not be sufficient to cover the expense and charges of a double voyage, unloading, warehousing, and reloading. But if the rate of duties can be increased at will by Great Britain, she may easily so lay them as that our flour may be delivered on cheaper terms in the West Indies through that circuitous course than direct from the United States, which would at once give her the best part of the navigation. If, therefore, neither the rate of duties can be limited by convention,

nor a condition inserted that no greater duties shall be raised on produce of the United States when imported direct from the United States than when imported from other countries, including Great Britain and her colonies, I would strongly incline to the opinion that it would be best, whenever an arrangement becomes practicable, that it should [rest] on a mutual understanding and on the respective laws of the two countries, rather than it should become altogether binding on the United States, and deprive them of the right of countervailing such disproportionate duties as I have alluded to.

It will not escape you that the intercourse by sea between the United States and the British West Indies and North American colonies has always been considered as necessarily connected together by the British government, and that this connection has been kept up in the Acts of Parliament, in the articles proposed to Mr. Rush, and indeed in all former proposals on their part. The condition to which I allude as necessary on our part in case of a convention differs essentially from that which has been absolutely rejected by Great Britain, and which I am instructed to give up. It applies not to the produce of British colonies similar to our own, but to our own when imported into the West Indies from the British colonies. But what renders the subject in that respect still more complex and difficult to arrange by treaty is, that it would be necessary to make a distinct provision as relates to American produce imported into Canada by inland navigation. This, indeed, will probably be, if it is not already, sufficiently protected without any interference on our part. But what relates to that subject, and to the St. Lawrence generally, will be the subject of a distinct despatch.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 19.

London, 5th November, 1826.

Sir,—Mr. Canning's attention, in our interview of the 4th instant, was principally turned to my official note to him of the

22d September last,[1] on the subject of the colonial intercourse. He said he had hesitated and had not yet made up his mind whether to answer it or to instruct Mr. Vaughan to give you some explanations on the subject generally. He asked me whether I thought it probable that that correspondence would be published; and, on my answering that it was possible, he seemed inclined himself to make an answer to the note.

He alluded particularly to the last paragraph of my note, and when speaking of instructions to Mr. Vaughan, I understood that his object was to remove any impression that the proceedings of this government arose from any hostile feeling towards the United States. I did not deny that the paragraph in question was calculated to convey that opinion; and I told Mr. Canning that in the original draft of my note I had connected with that sentence an allusion to Mr. Huskisson's declarations in his Parliamentary speeches, that it was the policy of England to favor the navigation of other less dangerous nations rather than that of the United States, formidable rivals in time of peace, &c., and that I had struck it out from a belief that, as part at least of an official note, it was not calculated to reconcile the two countries. As neither Mr. Huskisson's observations nor the effect they must have had on us could possibly be denied, Mr. Canning did not attempt to make a direct answer, and said it was much better to make no allusion to Parliamentary speeches or proceedings of the same description; for, added he, there is a tremendous report of a committee of Congress which has almost the appearance of a manifesto issued on declaring war. I allowed that there were indeed some very strong expressions in the report in question, which is that of a committee, of which Mr. Baylies was chairman, on the territory west of the Stony Mountains; but that it was not the act of government, nor of any of the branches of government, nor of any minister presumed to speak the opinion of his government; that it expressed only the opinion of the members of the committee, whose report had not been approved, nor, as I believed, been taken into consideration by the House of

[1] This note will be found in American State Papers, vol. vi. (Foreign Relations) p. 254.

Representatives. Mr. Canning said it was a dangerous power we gave to our committees, as a report of that kind, considered, as it was here, as a state paper, might in critical times decide the question whether the good understanding between the two countries should continue or not.

My general impression from the whole tenor of the conversation is that, whenever the proper time for an arrangement respecting the colonial intercourse arrives, it is probable that it must be done by a mutual understanding and not by a convention. The most pointed expression in that respect which fell from Mr. Canning was, that they might not be disposed in 1829 to have that intercourse placed on the same footing as in 1826. I only observed that, supposing both governments to be of opinion that it was best to let the intercourse be governed by the respective laws of each country, yet such was the situation in which they were now both placed, that there must be at least a previous mutual understanding before there could be any intercourse whatever; an observation in which he seemed to acquiesce.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 21.

London, November 8, 1826.

Sir,—I have received an informal explanation of the inquiry I had made respecting the Acts of Parliament affecting the colonial intercourse.

The statement made in my despatch of the 27th ult.[1] is correct as relates to the facts. But it is asserted that although the Act of 6 Geo. IV., ch. 105, repeals, from the 8th July, 1826, amongst many other Acts, that of 3 Geo. IV., ch. 44, and although the Navigation Act of 6 Geo. IV., ch. 109, does not repeal any Act totidem verbis, yet, being declared to be the navigation law of the British Empire from the 5th January, 1826, it virtually repeals every Act concerning navigation the provisions of which

[1] See State Papers (Foreign Relations), vol. vi. p. 294.

are not contained in it, and therefore that the limitation of the Act 3 Geo. IV., ch. 44, or any other which prevented foreign vessels from exporting to any country produce from the British West Indies, was thus virtually repealed from the 5th January, 1826. How far this position agrees with the acknowledged rules for construing statutes I am not qualified to say, and is not very important.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 24.

LONDON, 14th November, 1826.

SIR,—In the conference of yesterday, at which the convention was signed, it was agreed that we should meet on to-morrow, the 15th, in order to enter on the negotiations on the other subjects. I believe that we will commence with that of the territory west of the Stony Mountains. I wrote to you at the time that I would not assent to the renewal of the convention of 1818 until I knew whether the steps taken by this government respecting the colonial intercourse had not produced some change in the President's opinion respecting that renewal. If I receive no counter-order by the time it ought to reach me, I will conclude that none is intended, and act on the subject of that convention according to my instructions.

I received late last night Mr. Canning's reply to my note of the 22d of September concerning the colonial intercourse. There is not time to transcribe it by this packet, as Mr. King has much to do and must set off to-day. It displays ingenuity and cleverness, but is altogether argumentative, containing nothing important or new or that changes the aspect of that question. Neither in this nor in any conversation has any symptom appeared of a disposition to change the ground assumed or to open again the intercourse in any shape.

I think the St. Lawrence question hopeless. I have not had time to write to you, as I intended, on that subject. My principal object was to state with precision the actual legislation of

Great Britain as affecting that subject, or, generally, that of the intercourse by inland navigation between the United States and Canada. Any proposal founded on our right to navigate the river would not even be listened to; and I do not believe that they would even admit in a temporary agreement an express reservation of the right. I believe that all that can possibly be done at present will be to suggest such alterations in their own laws as may place the trade of our citizens in that quarter on as good footing as possible. This will leave our right entire till a better opportunity offers to bring it forward.

Mr. King is the bearer of the convention. I part with him with sincere regret, both on public and personal account. Mr. Lawrence is expected here to-morrow night.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 28.

November, 1826.

Sir,—I have the honor to enclose a copy of Mr. Canning's note of the 13th instant on the colonial intercourse, which was received on the 14th, and too late to be transmitted for the Liverpool packet of the 16th.

I might have animadverted on some parts of it. I had not denied the right of Great Britain to regulate, so far as depended on her own legislation, the intercourse between her colonies and the rest of the world. I had only insisted that that right did not extend to a power of controlling the laws of the United States on the same subject and operating within their own dominions.

Whilst insisting on their right to regulate as they deemed proper that intercourse with themselves and in that way, I did not pretend that they could claim, as a right, a participation in that trade. I had only adduced the circumstances connected with it, which made that claim a rational one, and the reasons why the United States had refused to enter into any agreement not founded on just and fair reciprocity. But it appeared to me unnecessary to travel again on the same ground and protract

unprofitable discussion. On reading again Mr. Canning's two notes and my own, I thought I might let the question rest on them, and I have only sent him the answer of this day, copy of which is enclosed.

I have already expressed my opinion that, whenever an arrangement may take place, it will be both much more practicable, and at least as advantageous to the United States, that it should be by an understanding only founded on the respective laws of the two countries. Whether an opportunity will, within any short time, present itself to effect that object in a manner consistent with the dignity of the United States, is quite uncertain; but it is best to be prepared for every contingency, and I hope that the President may be vested by Congress with sufficient powers to meet any state of things which may occur during the recess.

I have the honor, &c.

Upon reflection, I have concluded to suspend my answer to Mr. Canning.

GALLATIN TO HENRY CLAY.

No. 30.

London, 27th November, 1826.

Sir,—In a private letter which I wrote to the President about two months ago, I mentioned that I was informed, through a respectable channel, that one of the King's Ministers had, about the time that the order in council of July last was decided upon, expressed his great dissatisfaction at the language of the government of the United States in their diplomatic intercourse with Great Britain, to which he added that the United States seemed as if they wished to take an undue advantage of the temporary distresses of England, and that it was time for her to make a stand and to show her displeasure. Satisfied that nothing offensive whatever could be found in the diplomatic correspondence proper, either here or at Washington, I thought that, however extraordinary it might appear, the British Minister might have taken offence at some expressions in Mr. Adams's instructions

to Mr. Rush, which would naturally be written with more freedom of style than letters addressed to a British Minister. In this conjecture it now appears that I was mistaken.

It has been ascertained by my informant (who is well known to Mr. Rush, and he may give you his name) that it was Mr. Canning who made the complaint to a confidential friend, at which time, without mentioning to what he alluded, he also said that the language used by America was almost tantamount to a declaration of war, or words to that effect. This has at once pointed out to me what was the subject of complaint. I have stated in a former despatch my conversation of the 5th instant with Mr. Canning, in which he used the same language and nearly in the same words in reference to Mr. Baylies's report on the territory west of the Stony Mountains. It is most undoubtedly that report which has given great offence, and I am apt to think that, though not the remote or only, it was the immediate cause of the order in council. Indeed, it is clear, from what you have justly observed in reference to the construction finally put, in Nova Scotia and New Brunswick, on the Act of Parliament of July, 1825, and from the communication made to you in the winter by Mr. Vaughan respecting the appointment of an additional person to negotiate with the United States, that there was not at that time any disposition to refuse to negotiate on the subject of the colonial intercourse, or to exclude us altogether from it.

To the same cause must be ascribed the symptoms of susceptibility, not to say irritability, which have been shown in our last conferences on the Western territory. Great Britain certainly does not wish to be at war with the United States. The annual discussions in Congress on the establishment of a territorial government on the Pacific had shown what were the feelings in America on that subject, and, though not pleasant to the ears of the British Ministers, had been rather useful. These discussions had created sufficient alarm to make this government desirous of settling the matter, as appears by Mr. Canning's letter, referred to in my instructions. But Mr. Baylies's report struck beyond the mark, not at all in the arguments given in support of the American claim or to repel that of the British, but in

the charges of inordinate ambition against Great Britain, and, above all, in the kind of defiance with which the report concluded. There are some points which no nation or government having such high notions of national honor and dignity as the United States and Great Britain will bear tamely to be touched upon in that manner. I think that Mr. Canning's mistake was, from the manner in which committees are selected here, to have supposed that the report of a committee of Congress, not approved by the House, had in fact any or much more weight than a speech by one of its members. I have mentioned that I had explained this; but it seems that the impression is not yet erased. This shows the necessity of a concert, on all that is connected with the foreign relations of the country, between the Executive and the committees of Congress.

From what I have said you will easily infer that an arrangement on that Western territory is both more difficult and more important than had been apprehended. If none can be made, it will be necessary to come to some understanding with Great Britain which, without affecting the rights of either party, may prevent collisions, and yet enable us to acquire a solid footing in that country.

I have the honor, &c.

No. 42.

GALLATIN TO HENRY CLAY.

Confidential.

LONDON, December 22, 1826.

SIR,—I had an interview on the 20th instant with Mr. Canning on the affairs of the Peninsula and its possible consequences. He entered at large on the views of the British government and on the steps which they had been compelled to take. They had repeatedly urged the evacuation of Spain by the French army as anti-British and giving an artificial support to the fanatic party. Mr. de Villèle had declared that the French government was equally desirous that it should speedily take place, and the King had last summer written an autograph letter to Ferdinand announcing that the troops would be withdrawn in

April next. But the situation of Spain was such that this desirable measure would in all probability be necessarily protracted. It had then been distinctly announced to France that Great Britain was bound to protect the independence of Portugal, that she would not interfere with purely internal divisions in that country, but must assist it if attacked by or with the connivance of Spain. Measures had accordingly been taken in concert by England and France to prevent any such event happening, in consequence of which the Spanish government had entered into the engagements which I have mentioned in my despatch of October. These had been broken through the ascendency of the Apostolic party, perhaps contrary to the will of Ferdinand and of his Ministry. But those circumstances would explain why the British Ministry waited so late, and until the casus fœderis was perfectly clear, before they resorted to decisive measures.

It is, however, clear that Mr. Canning waited too long. He ought in October to have insisted on the recall of Du Moutiers, the French ambassador at Madrid, a tool of the Congregation party, and whose presence would certainly be considered in Spain as an evidence that France would support the Spanish Apostolic party. And he would have prevented every danger of Spanish co-operation with the Portuguese Anti-Constitutionalists had he sent the British troops to Portugal a month sooner. He was evidently uneasy on two accounts. Those troops might arrive too late; Miguel's and the Queen Mother's party is strong; the mass of the people superstitious and ignorant; the army, which has been organized under the Queen's influence, not to be relied on; the new government not yet well organized. On the other hand, there has been a crisis in Paris, and it was still doubtful whether Villèle or the Congregation would prevail. You will see by this morning's papers that, according to all appearances, Mr. Canning is relieved from anxiety on that subject, and that the French Ministry will act in concert with him. This, if fully confirmed, will in all probability arrest the Spanish party and prevent a war. But this was not certain on the day of our conference.

After Mr. Canning had concluded what he had to say, and

received that my government did not think proper to renew them. I was instructed to that effect, but was authorized to receive and discuss any proposal the British government might make. The urgency of the case, events which had not been contemplated, had induced me to speak to him freely on the subject, in order principally to remind him of its importance, and to induce him to take such measures as those events might render necessary in order to prevent the perhaps fatal consequences that might ensue from pure inadvertence. The conversation ended by an assurance on the part of Mr. Canning that he felt the importance of both subjects (Cuba and impressment), and that he would take them into serious consideration.

It seems now probable that war will not take place between England and Spain. Yet this is not fully ascertained; and even in case it shall be avoided, both the subjects to which that possible event has called our attention, and particularly the last, may become part of the pending negotiations. This induces me to request that I may be put in possession of the views and determination of the President in regard to both.

I have the honor, &c.

GALLATIN TO J. Q. ADAMS.

Private.

LONDON, 29th December, 1826.

DEAR SIR,—The state of our negotiations here may be stated as followeth:

Colonial intercourse.—A determination on the part of Great Britain not to arrange it by convention; a bare possibility that, if we comply with the conditions of the Acts of Parliament as explained in Mr. Canning's notes (viz., no discriminating duties and no restrictions on our part on circuitous intercourse), an opportunity may offer to renew it on those terms; but even this Mr. Huskisson will prevent if he can, his object being to exclude our navigation altogether from that commerce.

St. Lawrence.—Wholly impracticable to obtain, and inexpe-

dient to offer any article founded avowedly or by implication on our right to navigate that river; none suggested for a temporary arrangement of the inland intercourse with Canada, implying only, but without doubt, a reservation of the right; that intercourse already on a tolerable footing, and may be improved by some further British regulations consistent with the interest of Great Britain, and which I will suggest.

Convention of 1815 will probably be renewed without alteration; those that may be proposed communicated to Mr. Clay, with a request that I may be furnished with definitive instructions.

North-West boundary.—No agreement can be made at this time for a definitive boundary-line. It is probable that a simple renewal of the joint occupancy may be ultimately agreed on by Great Britain. The additional stipulations she asks have also been transmitted, with a similar request for instructions. It is particularly desirable to know what are the conditions thus proposed, which rather than agree to, it would be preferable not to renew at all the joint occupancy.

Impressments.—Great Britain may perhaps be induced to make some overture on that subject; and, if any change of opinion has taken place on the part of the United States since the last instructions to former ministers, new ones may be wanted and have been also asked.

Deserters, fugitives, &c.—These miscellaneous subjects may probably be arranged, and the instructions appear sufficient.

North-East boundary.—Extremely improbable that the British government will agree to a removal of the negotiation to Washington; still more so that, if they do, it will be for the purpose of attempting a compromise. We will have here a laborious and arduous negotiation solely to agree to the preliminary arrangements and mode of proceeding. Their project, which has been sent to Mr. Clay, will enable him to see their views and to suggest those of the United States. It is not apprehended that special instructions will be wanted, as care will be taken, in any agreement that may be concluded here, to leave the execution of the important parts to government at home.

It follows that if explicit and definitive instructions, suffi-

ciently comprehensive and giving discretion on points not comprehended, such as will not render another reference to Washington necessary, are transmitted as early as possible, on *convention of* 1815, *joint occupancy* of Western territory, and *impressments*, I may conclude this next spring all that can be done at present. My principal object in writing is to entreat you most earnestly that this may be done. My absence is fatal to my two sons,—the youngest, just admitted at the bar, and with talents, having peculiarities of character which render my presence, advice, and countenance at this time, for the ensuing year, most essential to his future prospects in life and happiness; James, at thirty, not yet settled in business, and cannot be till after my return. I beg your pardon for entering into those details; they are extorted from me by anxiety at my time of life and with uncertain health. I should hope that by the middle of June, it appears to me impossible that by the first of August I shall not have terminated the negotiations here, provided the instructions are sent as requested. It is immaterial to me how I return, provided I have leave, either by the appointment of a successor, or, if you should wish to postpone that, on leave of absence. For the interval and current business Mr. Lawrence is adequate, much more so than any of his predecessors.

I had communicated to Count Lieven that we had concluded a convention accepting an indemnity in gross instead of that which might have been awarded under the St. Petersburg convention. He called on me some days ago to tell me that this would prove a very grateful intelligence to his sovereign, to whom Pozzo had communicated our conversation at Paris, and from whom he had just heard on the subject. Prince Lieven added that it would be extremely inconvenient to the Emperor to act as arbiter on the North-East boundary question, and to be obliged to give a decision that must be disagreeable to one or to the other party; that he therefore hoped and earnestly requested not to be applied to on that occasion. I said that, with the exception of the sentiments of respect for and confidence in the Emperor, and of the reluctance to have appealed to him for explanations of the decision of his predecessor, what I had said to Pozzo was personal conversation, and did not come from my

government. I then said that the name of the Emperor was the first on my list, having then been continued since his accession, and that if our negotiation here reached that point (which was improbable), I was bound to propose him; that if he should be the simultaneous choice of England and the United States, it was confidently hoped that he would not, indeed he hardly could, refuse. I added all that suggested itself, of the fitness of Russia for the office, of the usefulness of such references if more general, of the high degree of consideration accruing to the monarch selected by such nations as Great Britain and the United States, of what was complimentary and calculated to make a favorable impression. If the question is not referred to the Emperor, he will know to whom it is owing, which, notwithstanding the *Nolo episcopari*, he will feel. I have formerly intimated that there was an approximation between Russia and Great Britain. This, though true, I consider as only temporary. The British have contrived, by superadding intolerable arrogance to almost intolerable wealth and power, to make themselves almost universally detested; and, if they force us ultimately into a quarrel, we will have nearly as many well-wishers and friends as in 1776, when, except Portugal and their paid auxiliaries, they had not one in Europe. I only regret that they should at this moment appear as at the head of the liberal party. But nothing can be more bitter to France than to be compelled, as she now is, to act in concert with, and, as if it were, as the follower of, England. This, however, after a struggle, owing as much to the hatred against her as to the influence of the *Congregation*, she must and will do; and I hope that the war between Spain and England will be prevented. Although all my faculties are exerted, and it is far from being the first time, in trying to accommodate differences and to remove causes of rupture, it is impossible for me not to see and feel the temper that prevails here towards us. It is perceptible in every quarter and on every occasion, quite changed from what it was in 1815–1821; nearly as bad as before the last war; only they hate more and despise less, though they still affect to conceal hatred under the appearance of contempt. I would not say this to any but to you and your confidential advisers; and I say it, not in order to excite corresponding feel-

ings, but because I think that we must look forward, and make those gradual preparations which will make us ready for any emergency, and which may be sufficient to preserve us from the apprehended danger.

I remain, &c.

January 5, 1827. I congratulate you on your message. After the usual ill-natured comments, the tone of the most furious journals, even of the hostile and influential Times, has become more temperate. The last article on that subject in the Courier has all the appearance to have come from the Foreign Office. On the whole, the message has had, I think, a favorable effect on the public mind.

I must say, after my remarks on the temper here, that I have been personally treated with great, by Mr. Canning with marked, civility.

GALLATIN TO HENRY CLAY.

No. 46.

London, 30th December, 1826.

Sir,—Reports of an intention on the part of this government to attack Cuba are still in circulation, more indicative, I think, of popular feeling than of the views of the Ministry. Yet, and notwithstanding his habitual reserve, there was no reason why Mr. Canning should not, in our conversation, have most explicitly disavowed any such intention. In all I said I took it for granted that there was a positive understanding between the United States and Great Britain that neither should occupy that island. The only papers in my possession on that subject are your three letters to Mr. King of 10th May, 17th and 26th October, 1825. Neither those which passed between Mr. King and Mr. Canning, nor the communications which may have taken place, either at Washington or through Mr. Rush, between the two governments, have been put in my hands. There certainly would have been an advantage in signing the agreement proposed by Mr. Canning (which I know only from your letter to Mr. King), not with the view he

suggested in reference to Spain, but for the purpose of binding Great Britain.

You will see by to-day's papers that Chateaubriand, in his speech to the House of Peers, said "that England could not take Cuba without making war on the United States, and that she knew it." This I had told him when he was Minister, and included France in the declaration. He would have agreed to the tripartite instrument. You renewed the declaration in a more official shape to his successor. What was the result I do not know; but I would apprehend no difficulty from that quarter if you should agree, and England was still of the same opinion. To be at ease on that question is important. Whether afterwards the island remained with Spain, became independent, or was annexed to Mexico,—though there is a choice between the alternatives,—would be far less essential.

In the mean while, might not a hint be given to Governor Vives to be on his guard?

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 48.

London, 30th December, 1826.

Sir,—I have already expressed my wish that your instructions respecting the continued joint occupancy of the territory west of the Stony Mountains should be sufficiently comprehensive to prevent the necessity of another reference to Washington.

It seems to me that, for that purpose, they may be reduced to two points. What are the conditions which you would think desirable, or (considering the declarations of the British plenipotentiaries) necessary to be added to the former article, either as a part of the convention, or to be entered as the understanding of the parties in the protocol? What are the conditions proposed or suggested by Great Britain which you may consider as inadmissible, so that, if insisted upon, you would prefer that no renewal of the former agreement for a joint occupancy should take place?

My reason for earnestly desiring that the instructions on that subject may be definitive is the extreme anxiety I feel not to be detained here beyond the end of the spring. With such instructions, and if in possession of your ultimate views concerning impressments (in case Great Britain should make an overture on that subject), I anticipate no cause that can detain me beyond that period.

The negotiation respecting the preliminary arrangements in relation to an arbitration of the North-East boundary will be very laborious; but, as it will either leave all that is important and will require more discretionary power than I wish to exercise for government to decide on and to execute, or will terminate in a transfer of the negotiation itself to Washington, this cannot compel me to remain here. On all other subjects I will have concluded in time all that can at this time be done; and as the negotiations intrusted to my care will thus be for the present at an end, I will ask, according to the previous understanding, leave to return, taking my departure from 1st of June to 1st of August, beyond which last date it is impossible that the negotiations should be protracted, if no second reference to Washington be necessary.

If convenient to make a nomination of a successor before the next session of Congress, I would ask then to be permitted to return on leave of absence, leaving Mr. Lawrence as chargé d'affaires. In order to effect that object I have labored almost beyond my strength, and will continue my efforts to the last moment.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 52.

London, 28th January, 1827.

Sir,—I have the honor to enclose the copy of a note from Mr. Canning, dated the 27th instant, and written in answer to mine of 28th ult.

The following observations have occurred on reading that note, viz.:

1. Your letter to Mr. Cambreleng was adduced in order to prove (and the evidence was perhaps superfluous) what was your understanding of the meaning and intent of the Act of Parliament therein referred to, and that the British government must have been informed of it.

2. No other inference can be drawn from the vote of the House of Representatives, alluded to by Mr. Canning, than that, notwithstanding the view of the subject entertained by the Baltimore petitioners, that body did concur with the Executive in the above-mentioned opinion of the meaning and intent of the Act of Parliament.

3. The British government was so clearly and early informed of the passing and of the true intent of the Act of Congress of 1st March, 1825, that Mr. Stratford Canning opened a correspondence on the subject with the Secretary of State on the 27th of the same month. And not only was the Act communicated, but it appears by Mr. Adams's letter to Mr. Rush of the 23d of June, 1823, that, while the bill was in discussion before a committee of the Senate, a copy of it was communicated to Mr. S. Canning, who made some written remarks upon it, which were immediately submitted to the consideration of the committee.

4. Whatever inconvenience there might have been in a general communication, by the British government, of the Acts of Parliament of 5th July, 1825, to all foreign nations, there was a sufficient and forcible reason for making such a communication to the United States, since they were the only nation with which Great Britain had ever opened a negotiation on the subject; a negotiation which was only suspended, and which the United States must, as they actually did, have expected would be resumed, until informed of the altered determination of the British government in that respect.

The President will decide whether it is proper to present those observations, or any other which the note may suggest, to Mr. Canning's consideration. In the mean while, although there is no symptom in his note of a disposition to renew the negotiations on that subject, or in any shape to open the colonial intercourse to the American navigation, yet the general temper and tone of the note are so different from those manifested in that of the

11th of September, that, keeping in view the effect which a further discussion of that point might have on the other pending negotiations, I have concluded for the present, and unless otherwise instructed, to abstain from making any reply to the note. I had the honor to receive on the 26th instant your despatch No. 16, of 28th December last; I entirely concur in your opinion that in all probability the British government would be well satisfied with such a state of legislation as would give the commerce between her colonies and the United States to Danish or any other vessels to the exclusion of our navigation. Nothing can of course be done until the result of the deliberations of Congress shall have been ascertained. Whatever this may be, and however unpromising the appearance of any change of system here, I think that it will be useful, after the Act of Congress is passed, to provide the minister of the United States here with such instructions as may enable him to avail himself of any new circumstances that may occur and induce this government to alter their opinion.

I beg leave to repeat that if they do, they will, I am almost sure, adhere to their determination that the trade should be regulated rather by mutual legislation than by convention. I have in a former despatch suggested some considerations why this course might, with all its inconveniences, be nevertheless advantageous in some respects to the United States.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 54.

London, 30th January, 1827.

Sir,—I have the honor to enclose copy of Mr. Canning's answer to my note of the 26th instant, announcing to him the ratification by the President of the convention of 13th November last. It is hoped that the exchange may take place early enough in the day on the 6th of February to enable Mr. Wyer to reach Liverpool, so as to sail in the packet of the 8th.

A despatch from Mr. Brent to you received last night, and which had been left open for my perusal, is herewith transmitted.

I was interrupted yesterday, and had not time before the closing of the mail to say what I intended respecting the reports of the commission on the North-East boundary. That of Mr. Van Ness had, on a first reading, struck me as conclusive and remarkably well drawn; but I could not appreciate its full merit till I had perused all the papers. It may be shortened in some respects, made more forcible in some others, and will require some addition to guard against new grounds which I have reason to believe will be taken by the British plenipotentiaries. But the question is placed in it on its true ground, and with great propriety disengaged from the maze of contradictory surveyors' reports in which the British agent tried to involve the subject so as to divert the attention from its true merits. As it will in some shape or another revert to you, and your other occupations may not leave you time to read and investigate all the documents, I think that I may say with confidence that that report alone, together with the statement that I will have probably to prepare, will be sufficient to make you master of the subject. What relates to the boundary along the 45th parallel of latitude must be excepted, as Mr. Van Ness gave no opinion on that point. Mr. Bradley's arguments have also great merit, and embrace or allude to almost all that can be said. But, as he was obliged to follow and reply to the British agent, his argument, divided as it is into three distinct pleadings, is less condensed, and is encumbered with matter which may now be considered as unnecessary for a complete understanding of the subject.

As relates to the boundary of Maine, there cannot be any doubt of our right: the irksome pleadings of the British agent are a tissue of unfounded assertions and glaring sophistry, and the British commissioner's decision on that point is scandalous. Although I think we are in the right on the north-west source of the Connecticut, the British have at least plausible ground. We have a decent objection with respect to the boundary from the Connecticut to the St. Lawrence (not the geocentric latitude), and that is all.

I have the honor, &c.

GALLATIN TO J. BROWN, U. S. MINISTER AT PARIS.

LONDON, 2d February, 1827.

MY DEAR SIR,—The want of a safe opportunity has prevented my addressing you earlier on a subject less important perhaps now than it threatened to be some weeks ago, but which may still deserve your attention.

As soon as I could obtain an interview from Mr. Canning after his speech on the King's message relating to the affairs of Portugal, I mentioned to him that as the question of war between Great Britain and Spain must now depend on the course Spain might pursue, our attention should be turned to the consequences, as affecting the relations between the United States and Great Britain, which might grow out of a state of actual war. Repeating then what you know to be the views of the United States respecting Cuba, I said that although those of Great Britain were known to accord with ours, and although there had been an understanding between the two countries that neither should attempt to take possession of that island, yet it would be satisfactory to receive assurances that the intentions and conduct of Great Britain would not be changed by a state of war between her and Spain. I then made some further observations on what might be done in concert with a view to the ultimate fate of Cuba in case it should be found impossible to prevent her remaining a dependency of Spain. Mr. Canning thought proper to make no satisfactory answer to this overture, and only said that he would take the subject into his serious consideration. It must be observed that, having not found here any part of the correspondence of my predecessors, I know nothing positively of what had passed between them and this government on that subject. I have no knowledge of the understanding which, in speaking to Mr. Canning, I took for granted, but from hearsay and what may be inferred from a despatch from Mr. Clay to Mr. King in relation to the proposal by Mr. Canning of a tripartite agreement between Great Britain, the United States, and France, which I have not seen, and which Mr. Clay appears to have declined. But I see that you were

instructed to make some declaration to the French government on that subject.

This government has no wish, if they can avoid it, to be at war with Spain, still less that such an event should involve them either with the United States or France. And it is probable that this last country would not forget, in the course of her discussions with England, the danger of her taking the opportunity of a Spanish war to seize that most valuable of all colonies. Yet, as nothing that can be done ought to be neglected on our part, it has struck me that, if practicable and proper, it would be advantageous that France should be reminded of that subject, as it might have a double beneficial effect. A view of that danger might make France more earnest in her efforts to induce Spain to cease giving just causes of offence, and to pursue a course calculated to preserve peace. And in case of war, the representations of France to England, co-operating with ours, would cause this government to reflect seriously before they should take any step that might compel France as well as ourselves to depart from our intended neutrality. I submit these observations to your judgment, hoping, however, that the danger is lessened, and that we may soon receive instructions adapted to a state of things which had not been anticipated at Washington. It is very clear that an attempt to occupy Cuba would be as offensive, if not more so, to the new American states than to us. This cannot but be well known to the British government; but, considering the relative situation of the parties at this moment, no energetic representations can be expected from the ministers of those states at this Court on that point.

You will have seen that a convention concluded here on the 13th of November, by which Great Britain engages to pay 1,200,000 dollars in lieu of the indemnity which might have been adjudged by the commission under the St. Petersburg convention (for slaves, &c., carried away contrary to the Treaty of Ghent), has been ratified by the President. The ratifications will be exchanged here on the 6th instant. In other respects our negotiations will not produce any important results. This government appears determined to persist in excluding us from any intercourse with the British West India colonies, and I am

satisfied they were glad of an opportunity or pretence for so doing. We may renew the commercial convention of 1815. We cannot agree on a boundary west of the Stony Mountains; and the utmost that may be done on that subject, if anything can be done, is to renew for a longer period the agreement for a joint occupancy of that territory in such manner as to preserve our rights and prevent actual collision. As to the North-East boundary, all we can do, and it is difficult, is to prepare the case for a fair trial before the foreign power who may be selected as arbiter. I must add that of late, though the temper, which I found much altered for the worse since 1818, may not be much better, the language at least of this government is much more conciliatory than when I first came.

I remain, &c.

GALLATIN TO HENRY CLAY.

No. 58.

London, 22d February, 1827.

Sir,—Finding that Mr. Huskisson had been out on business, and knowing Mr. Addington to be anxious that our conferences might be resumed, I wrote him a private note to ask that no further delay might intervene. He has sent me one written to him by Mr. Huskisson, copy of which is enclosed. It is true that he is still indisposed, and that an extraordinary sitting of the council was for that reason held at his house. But there may be also some other reasons for the delay. His measures are strongly attacked from the shipping interest and from other quarters; and he is, perhaps, not quite prepared to enter into a discussion of the renewal of the commercial convention. The enclosed short statement of the entered tonnage for 1826 shows that it is not in the intercourse with the United States alone that, when placed on a footing of equality, the British cannot stand the competition of foreign shipping. Indeed, if the countries that have no navigation (Russia, Spain, Portugal, and Turkey) and the British colonies are excepted, it will be found that in

the intercourse of Great Britain with the rest of the world the ratio of British to foreign tonnage employed is about 2:3.

Mr. Canning is recovering from a serious indisposition, but has not yet left Brighton. Lord Liverpool may survive and linger, but it is universally admitted that his political life is ended. Independent of his great weight in the nation and in the House of Lords, he was the principal bond of union of the present Cabinet, supporting the general policy of Messrs. Canning and Huskisson, but connected at the same time with the Chancellor, &c., by his opinions on the Catholic question. The King's extreme love of ease and aversion to any change, and the opposition which each party in the Cabinet makes to the introduction of a new member not of their own color, render it probable that either Mr. Robinson will be transferred to the House of Lords, or that some man of high rank and considered as of no party and of no importance will be the nominal Premier. Yet the want of some able leader of the House of Lords may render another course necessary. Until this is settled there cannot be any important progress made in our own affairs. And these are not likely to be affected by the result, whatever it may be. The dissensions in the Cabinet relate to internal objects (the Catholic question, corn laws, &c.), and not to the foreign policy of the country.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 59.

London, 6th March, 1827.

* * * * * * * * * *

The delay which Mr. Huskisson's indisposition has occasioned in our negotiations is very vexatious. On my suggestion he has assented that Mr. Addington and myself should try to arrange some of the details of the North-East boundary; and we have already had two informal conversations on the subject. I find him extremely unmanageable, not from ignorance, for he has well studied the details, but because he has imbibed all the

prejudices and zeal of the British agents and provincial authorities on that question. His object is clearly not that the parties should have a fair trial before the arbiter, but to take every advantage he can possibly gain.

From a thorough investigation of that subject, I am enabled to say that the only point on which the British may give us infinite trouble, create interminable delays, and induce any sovereign to decline making a decision, is that which relates to the topography of the country. Is the character, the nature of the ground which divides the sources of the northern tributary streams of the river St. John's from those of the waters of the river St. Lawrence, and along which our line runs, or of the ground which divides the sources of the southern tributary streams of the St. John's from those of the waters of the Penobscot, and along which the British line runs, such as to come within the treaty designation of highlands? This, if raised, and it has been raised on both sides, is the interminable question. Mr. Commissioner Van Ness saw it in its true light, and rested his decision on this, that it was not the nature of the ground, but the position of the highlands, respectively contended for, which was alone to be taken into consideration.

This admits that the two contending lines may both be considered as being generally highlands, leaving as the only question at issue, "Which are the highlands meant by the treaty?" And it is to that point that we must try to bring the British government to assent, if we mean to obtain a decision. The first act of the arbiter, if under such circumstances we can find any sovereign to act as such, will otherwise be to demand an actual survey of both lines, with the elevations, sections, &c., both of the lines and of the adjacent country. For you must know that after four years and forty thousand dollars expended in making what has been called surveys, none have been actually made but that of the line extending north from the river St. Croix, of one of the branches of the Connecticut, and six or seven portages (two or three miles in length each) between the sources of the St. John's and either the Penobscot or the St. Lawrence. But the relative position of those portages and the courses of all the rivers, as delineated in the various plans and maps reported by the com-

mission and in your possession, are merely conjectural. They were all guessed at, by walking over the ground, estimating the distances, and taking the courses very incorrectly; but the distances are not measured; the chain was not used. And as to the hills or ridges delineated on those maps, they were not even walked over, but seen, as it is said, from the summit of three or four detached mountains, the position of only one of which (Mars Hill) is ascertained.

With such materials, what I have proposed is, that we should agree to make in concert a general map on the plan stated in the enclosed paper, filling the blanks, so far as relates to the river-courses, in the best manner we could, taking the conjectural plans of our surveyors where they agree, and where they did not agree, in such manner as will not affect the question any way.

This proposal, in its general terms, has been acceded to. I meet, of course, with difficulties and cavils at every step, but hope, nevertheless, to succeed in having a map agreed on, on both sides, which will represent all the water-courses, portages, &c., the north line from the source of the St. Croix, the two boundary-lines respectively contended for, and will indeed be complete in every respect, the presumed hills and ridges only excepted. This will, at all events, be a considerable point gained, by reducing the number of contested facts. If we cannot agree to expunge, as I wish it to be done, the imaginary delineation of ridges, then we must have two maps, as contemplated in that case in the enclosed paper, but which will differ in no respects than as relates to the said presumed ridges.

If we can even obtain nothing more, I think that the argument may be managed on our part in such manner as to prevent the necessity of further surveys; but this will be a subsequent consideration. On the subject of evidence other than that of the surveys, there ought to be no difficulty; but I apprehend that, unless checked by his government, Mr. Addington's views in that respect will be found, I use the word with reluctance, very unfair.

The whole subject is extremely complex and difficult. The intrinsic difficulties I think I can now manage, having devoted two entire months to that object, in the course of which I have

obtained some valuable additional facts; but I cannot answer for the disposition necessary to meet from the other party in order to come to a favorable result.

I had the honor to receive your despatch No. 17, and have taken the steps necessary to obtain the information you want on the subject of patents.

I have the honor, &c.

This government regularly receives from their minister at Washington all the documents printed by order of Congress. None are sent to me, and, unless printed in the newspapers transmitted, I am left without the necessary information.

(Paper enclosed in the above.)

One general plan or map of the country, exhibiting all the actual surveys of both parties, to be made under the joint direction of the plenipotentiaries. If, in the progress of the work, some points of difference should arise on which the plenipotentiaries could not agree, then two separate maps to be made, noting in the margin of each the points of difference. The said map or two maps, as the case may be, to be laid before the arbiter in lieu of all the general maps, surveys, plans, and reports of the several surveyors and assistants employed on both sides under the late commission.

J. Q. ADAMS TO GALLATIN.

Private.

WASHINGTON, 20th March, 1827.

DEAR SIR,—I have received from you several very kind and friendly letters, for which the unremitted pressure of public business during the session of Congress has not permitted me to make the due return of acknowledgment. The march of time, which stays not for the convenience or the humors of men, has closed the existence of that body for the present, and they have left our relations with Great Britain precisely where they were.

The sudden and unexpected determination of the British gov-

ernment to break off all negotiation concerning the colonial trade, and the contemporaneous measure of interdicting the vessels of the United States from all their ports in the West Indies, as well as many others, have taken us so much by surprise that a single short session of Congress has not been sufficient to mature the system by which we may most effectively meet this new position assumed by the colonial monopoly of Great Britain. One of the principal causes of our anxiety to regulate the trade by treaty was the precarious uncertainty of all regulations by legislative enactment; and the necessity, inconvenient in its operation to both parties and necessarily ruinous to numerous individuals, that each party should adapt its laws to the measures of the other. Without going beyond the period of our peace of Ghent, it is obvious that the legislation of Great Britain upon this subject since her first interdict of July, 1815, has been variable as the winds. Our Acts of 1818, of 1820, and of 1823 have been mere expedients on our part, successively applied to her successive changes of position by Act of Parliament or by order in council. For it is observable that the British system of regulation, in this concern, has not even the stability of common or statute law. It is always left to the arbitrary discretion of the King in council, while the unchanging spirit which guided and governed every movement both of Parliament and of the council has been that, distinctly avowed by Mr. Huskisson, of promoting the British navigation and of thwarting and depressing ours. Our preference of negotiation for the adjustment of this complicated and perplexing subject was chiefly because we believed it the most effective means for bringing the parties to a satisfactory result. But the tenor of Mr. Canning's communications since the British government have reverted to the system of absolute interdict to our shipping has very much the appearance of a purpose the ostensible reason for which was different from the real motive by which it was dictated.

Mr. Canning appears to be very solicitous to impress the idea that Great Britain was ready and willing to meet us on principles of reciprocity, by the offers contained in her Act of Navigation of 5th July, 1825; and that she resorted to the interdict of the order in council of 27th July, 1826, only because we did

not immediately accept those offers and conform our legislation to them. But it would be a very unworthy motive for rejecting now a commercial arrangement suited to the interests and promotive of the harmony of both parties, upon the mere ground that it was not accepted at the instant when it was proposed.

At the late session of Congress the disposition was common to all parties in both Houses to accede to the terms upon which the trade was opened by the Acts of Parliament of 5th July, 1825. But on the one hand it was believed that in the acceptance of those terms we conceded great and uncompensated advantages to the British shipping, and that these concessions ought at least to be so limited as to provide for the contingency of their proving to be unavailing; while, on the other, less value was set upon the trade than upon the political convenience of exaggerating its value and descanting upon its loss. Bills for regulating the trade in full conformity with the Acts of Parliament of 5th July, 1825, were introduced into both Houses, and one of them passed both Houses under modifications of amendment upon which they could not agree, and by their difference upon which the bill failed.

This has left upon the Executive the obligation of issuing the proclamation prescribed by the Act of March, 1823, by which our Navigation Acts of 1818 and 1820 are revived. It is understood that by the construction given to the Acts of Parliament and the order in council in the West Indies the produce of the United States will not be admitted even in British vessels from the Swedish and Danish islands. The effect of the double interdict will therefore be tried by fair experiment,—on our part with much reluctance, but because we have no other alternative.

From the state of your negotiation upon the other subjects of interest in discussion between the two governments, as exhibited in your latest despatches and letters, there is little encouragement to expect a satisfactory result regarding them. There are difficulties in the questions themselves; difficulties still more serious in the exorbitant pretensions of Great Britain upon every point; difficulties, to all appearance insuperable, in the *temper* which Great Britain now brings into the management of the controversy. For the causes of this present soreness of feeling we

must doubtless look deeper than to the report of a committee of our House of Representatives, or to the assertion by the late President that the American continents were no more subject to future colonization from Europe. As the assertion of this principle is an attitude which the American hemisphere must assume, it is one which no European power has the right to question; and if the inference drawn from it of danger to *existing* colonies has any foundation, it can only be on the contingency of a war, which we shall by all possible means avoid. As to the report of Mr. Baylies, if Mr. Canning has not enough upon his hands to soothe the feelings of foreign nations for what he says in Parliament himself, he would think it passing strange to be called to account for offences of that character committed by Mr. Brougham or Mr. Hume. He surely cannot be so ill informed of the state of things existing here as not to know that Mr. Baylies is not the man by whom the sentiments or opinions of this or of the last Administration of the government of the United States were or are wont to be expressed. The origin, rise, and progress of this "Oregon Territory Committee," of which Mr. Baylies became at last the chairman, is perhaps not known even to you; but you may remember it was the engine by means of which Mr. Jonathan Russell's famous duplicate letter was brought before the House of Representatives and the nation, and that incident will give you a clue to the real purposes for which that committee was raised, and to the spirit manifested in the report of Mr. Baylies.

Upon the whole, if the same inflexible disposition which you have found prevailing upon the subject of the colonial trade, and of which indications so distinct have been given upon the boundary questions and the navigation of the St. Lawrence, should continue unabated, our last resource must be to agree upon the renewal for ten years of the convention of 1818. This would probably *now* obtain the advice and consent of the Senate for ratification. On the colonial trade question the opposition here have taken the British side, and their bill in the Senate was concession unqualified but by a deceptive show of future resistance. But you must not conclude that the same spirit would be extended to anything in the shape of concession which you

might send to us in a treaty. One inch of ground yielded on the North-West coast, one step backward from the claim to the navigation of the St. Lawrence, one hair's-breadth of compromise upon the article of impressment, would be certain to meet the reprobation of the Senate. In this temper of the parties, all we can hope to accomplish will be to adjourn controversies which we cannot adjust, and say to Britain, as the Abbé Bernis said to Cardinal Fleuri, "Monseigneur, j'attendrai."

Your instructions will be forwarded in season that you may be subjected to no delay in bringing the negotiation to an issue; but I regret exceedingly the loss to the public of your continued services. The political and commercial system of Great Britain is undergoing great changes. It will certainly not stop at the stage where it now stands. The interdicting order in council of last July itself has the air of a start backwards by Mr. Huskisson from his own system to the old navigation laws. His whole system is experimental against deep-rooted prejudice and a delusion of past experience. I could earnestly have wished that it might have been consistent with your views to remain a year or two longer in England, and I should have indulged a hope that in the course of that time some turn in the tide of affairs might have occurred which would have enabled us, with your conciliatory management of debatable concerns, to place our relations with Great Britain upon a more stable and friendly foundation.

Your proposal that a troy pound weight of platina should be procured for the use of our mint deserves serious consideration. But I incline at present to the opinion that the *copy* of a standard weight should be of the same metal as the standard itself. You are aware that the standard platina kilogramme at Paris is of no earthly use except to verify the weight of other standards *in vacuo;* with all which it disagrees when weighed anywhere but in an exhausted receiver.

There are some other observations in your letters upon which I shall take the opportunity of conferring with you when we meet; remaining in the mean time, with unaltered respect and attachment, your friend.

GALLATIN TO HENRY CLAY.

No. 62.

LONDON, 21st March, 1827.

SIR,—Mr. Canning is so far recovered as to have been able to give audiences to most of the foreign ministers. I had a short interview with him yesterday, in which he expressed his and Mr. Huskisson's regret that the progress of our negotiations should have been arrested by this gentleman's indisposition, and his hope that he would be able to resume the conferences week after next.

In the mean while, Mr. Addington, with Mr. Huskisson's approbation, and myself have agreed to have a general map prepared of the surveys, or rather explorations, made by order of the late commission under the 5th Article of the Treaty of Ghent. This general map is to be substituted for the two contradictory general maps respectively presented by the American and British agents to the board, but neither of which, both being objected to by the other party, was filed. But, so far as we have agreed, it is to show only the water-courses, sources of the rivers, and portages, and the lines respectively claimed by each party. It is one step gained towards simplifying the question and enabling a friendly sovereign to decide it. But on the difficult point, what must be considered as highlands generally under the treaty, we have not yet been able to agree; and if we do not, all the detailed surveys and the reports of surveyors must go before the arbiter and become a subject of discussion. It is hardly probable that any sovereign can be found who would be either able or willing to decide on a question depending on contested topographical facts, such as the elevation and nature of the ground. New surveys and interminable delays would, at all events, be the consequence. The misfortune is that, if we can by mutual admissions get rid of that difficulty, the argument will be so clearly in our favor that it is the interest of Great Britain to continue to perplex the subject by still insisting that there are no highlands along our assumed line. And in this assertion they are countenanced by a letter from Judge Sullivan to Mr. Madison, and one from Mr. Madison to Mr. King, dated 8th

June, 1802, both of which have been published in the tenth volume of our public documents (page 474 to 482).

On that subject I can do nothing with Mr. Addington, who has imbibed all the feelings of the British agent and commissioner, and has on that question all the zeal of a partisan. I will press earnestly on Mr. Huskisson, and, if necessary, on Mr. Canning, the propriety of reducing the question to one on which a foreign [sovereign] can decide, and the impossibility of his so doing if we call on him to pronounce on contested facts of that nature. If I cannot succeed in that respect, there will be no resource than so to manage the argument as that the decision may not be made to depend on contested facts; and this will require admissions on our part somewhat injurious, though, as I confidently believe, not fatal, to our cause.

I think that I could collect from Mr. Canning that he is not very uneasy about the King's choice of a Prime Minister, but that the decision is not yet made. He observed, as a singular fact in the operation of the British Constitution, that at this moment the King was everything. It is sufficiently known that, once the Ministry settled, he is and desires to be nobody.

The late news from Spain appear quite satisfactory, and Mr. Canning considers them as such.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 63.

LONDON, 29th March, 1827.

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Although I have received an indirect intimation that Mr. Canning intended, as soon as the Ministerial arrangements were completed, to confer with me on that topic, there is but a slender expectation that anything can at this time be done in that respect. His opinions formerly were, those of the Chancellor and other influential characters continue to be, hostile to the just rights of the United States. Still, on a question which if not arranged in time of peace it will cost another war to settle, it is important

to know at least what are, at this time, the views of this government.

You will [see] by the newspapers that Mr. Canning has communicated to Parliament his correspondence with me on the colonial intercourse. He was reported to have said, in answer to a question of Mr. Hume, that he considered the correspondence as final, since he had the last word. The same day this appeared in the morning papers he addressed me a private note in the following words: "March 27, 1827. My dear Sir,— The newspapers (at least those which I happened to see) do not report quite correctly what I said in answer to the question, 'whether the correspondence which I laid yesterday on the table of the House of Commons was final.' What I did say was that it was *my interest* to hope so, as at present I had the last word." I do not believe this to have been written in order to raise an expectation that he was disposed to negotiate on that subject, but only to intimate that he had not treated it with unbecoming levity. In point of fact the answer was instantaneous, and intended to evade giving a direct one to what was the obvious object of the question put by Mr. Hume.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 71.

London, 28th April, 1827.

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At the dinner of the 23d, Mr. Canning came near Baron Humboldt and me and told us, "You see that the opinion universally entertained abroad, and very generally indeed in England, that this government is an aristocracy, is not true. *It is*," said he, emphatically, "*a monarchy*. The Whigs had found it out in 1784, when they tried to oppose the King's prerogative of choosing his Prime Minister. The Tories have now repeated the same experiment, and with no greater success." He appears certainly very confident, and speaks of any intended opposition in Parliament as if he had no fear of it. As all the leading

newspapers are in his favor, I enclose the only pamphlet of note that has appeared on the other side.

An infusion of Whiggism in the Ministry, by the accession of such a man as the Marquis of Lansdowne, might perhaps, after a while, have produced some favorable change in the policy of the Administration towards the United States. For the present, none can be expected. I do not believe that there is a single question between us in which the Ministers will not be supported by the public opinion of the country in taking rank ground against us. Our dependence for friendly arrangements rests solely on the superior sense of the Ministers. Unfortunately, Mr. Huskisson is less favorably disposed towards the United States, principally on commercial subjects, than towards any other country. And, having to meet in other respects a formidable opposition to his plans, he may be disposed to regain some popularity with the shipping interest by pursuing with the United States measures inconsistent with his avowed general principles on that subject. If there is any reaction as relates to us, it must come from the West Indies, and perhaps, at last, from the manufacturing interests.

I have been compelled to remain perfectly quiet for the last months; but now that a temporary Administration is formed, which will last at least as long as this session of Parliament, I will ascertain in the course of next week whether it is intended that our negotiations should be resumed. Mr. Canning, on the 23d, again expressed great regret that they should have been so long interrupted, and intimated his intention of having, within a few days, a special conversation with me.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 76.

London, 21st May, 1827.

Sir,—Mr. Canning, in a private note written in answer to mine, says that the immense arrear of business (owing, I presume, to Mr. Huskisson's long indisposition), coupled with

attendance in the House of Commons, has occupied every moment of Mr. Huskisson's time, as well as of his own, since the formation of the government; but that he ventures to promise in both their names that mine shall be the *first* foreign business taken in hand.

It is not certainly meant thereby to say that they will postpone, in favor of our business, that which relates to Portugal and even to Greece, both of which continue to engross daily the attention of the Ministry. And I have now no expectation that our negotiations will be resumed before the adjournment of Parliament, which is expected to take place about the middle of June.

I will not have, before that time, any opportunity of ascertaining, better than they are now known to me, the dispositions of this government respecting a renewal of the colonial intercourse. I have no doubt myself on that point; I have had none from the time when Mr. Canning and Mr. Huskisson communicated their intentions and what would be the substance of Mr. Canning's note of the 11th September last. The tenor and manner of the conversation were decisive, quite so as to the fixed determination not to renew the negotiations, sufficient, when combined with the declaration in the note, to satisfy me that the object was in fact to exclude us altogether from any participation in the trade.

Everything which has occurred since, amongst others the communication from the Board of Trade to the ship-owners, and Mr. Huskisson's gratulatory remarks on the result, have strengthened my opinion. It must be added that the measure is universally popular in England, and that the only chance of a change of this policy is the effect it may have on the West India colonies and the complaints these may address to government.

I think it quite immaterial as to the nature of the answer that will be given, whether the application is made now or in October, or whether the substance of your despatch of 11th April (No. 26) is communicated in one or made the subject of two notes. The subject would be presented more perspicuously and forcibly together than by being divided, since the inquiry

is the consequence of the facts and arguments previously stated.

But what appears to me important is to avoid any argument on abstract questions of right, and every statement of facts which may be controverted or indeed give rise to any cavil.

It has been Mr. Canning's object from the first outset to divert the attention from the real intentions of the British government and from the just reasons we had to complain of their proceedings. For that purpose he launched into discussions on the particular nature of the colonial trade, which were not called for by my first note of August 26, and, as the case then stood, had no bearing on the question actually pending between the two countries. Aware of this, I had at first prepared a note placing the subject on the same ground to which we must ultimately resort. This, on reflection, I suppressed, preserving only what makes the last sentence of my note of 22d of September, and which was preserved only to let Mr. Canning see that his real object was understood. But the rest was suppressed, and what was in other respects an inconvenient mode of arguing was adopted, partly because I was imperfectly acquainted with the facts supplied by your despatch of 11th of November, principally in order not to urge prematurely this government to commit itself irrevocably on the subject.

Even now, if there did not appear a necessity to place the conduct and object of Great Britain in an uncontrovertible light at home, I would have thought it best to let the subject rest altogether for the present, and to wait, as was done in 1818–1822, for the changes which very few years must produce in this newly-adopted policy towards us.

But since it is necessary to obtain before the meeting of Congress an explicit answer from Great Britain, and such as will, as far as practicable, expose her real views, it is all-important not to afford her any pretence to evade the question.

For that purpose I have concluded to omit all the arguments contained in the first part of your despatch that relate to the colonial trade generally and to the questions of right and usage. If the discussion was in any degree renewed on those subjects, there would be great danger of this government taking a very

improper advantage of it, and pretending that the presumed irreconcilableness of opinions on those points was the reason why it was impossible to arrange the intercourse by mutual legislation as well as by negotiation.

I believe that I will also be obliged to modify in some degree the declarations respecting the proceedings in Congress, so as to run no risk of denial or of being drawn into a discussion on that subject. The argument of Mr. Canning was that the Baltimore petition brought fairly before Congress the question of complying with the terms of the Act of Parliament, and that this was rejected by a majority of two votes. He has confounded the two Houses and misconceived the vote, which was not a rejection nor on the acceptance of the terms of the British Act. Yet it is true that the terms of the Act were brought before the Senate both by the petition and Mr. Lloyd's report; that, exclusively of other reasons why negotiation should be preferred, the report very explicitly suggests that those terms as expressed were inadmissible, and that the Senate having then declined to act on the subject, not even on the simple repeal of the discriminating duties, may be considered as tantamount to a rejection of the terms offered. There is some difficulty in making the statement in such manner as will prevent cavils and their throwing on that circumstance the blame of the result which has taken place. There is none as to the main argument drawn from the causes which misled the United States, and which, after all, is that which Great Britain cannot get rid of.

It is worthy of observation that at no time, either during the session of 1825–1826 or during the last one, has any bill or proposition been brought from any quarter which was or could be considered as a simple and full compliance with the terms of the Act of Parliament; that is to say, proposing, in the words of the Act, "to place the navigation of Great Britain and of its possessions abroad upon the footing of the most favored nation."

I mention this because even now the President proposes no such thing, and most certainly I do not mean to suggest that he ought to do it. But it is possible that this government when urged on the subject may, rather than absolutely refuse to raise

the interdict, offer to do it provided an Act is passed by Congress accepting the terms in the very words of the Act of Parliament.

I have the honor, &c.

P.S.—There is no feeling arising from the President's proclamation, which was expected as a matter of course. But I would not be astonished if this government should make it a pretence for refusing even an explanation.

GALLATIN TO HENRY CLAY.

No. 81.

LONDON, 4th June, 1827.

SIR,—I enclose the copy of a letter addressed this day to Lord Dudley[1] on the subject of the colonial intercourse.

On general grounds it might perhaps have been preferable to let the whole matter rest for a twelvemonth, waiting with patience for such a change in the policy of this country as a reaction from the West India British colonies, a more favorable disposition on the part of the Ministry, or other circumstances may produce. But I am fully aware of the necessity of obtaining before the next session of Congress an explicit declaration of the real object of this government, which alone can secure the necessary concert on the part of the United States in adopting the measures fitting for the occasion. I would have thought that in order to obtain that declaration, which, whilst the policy remains the same, will not be given without reluctance, a direct inquiry would have been more efficient; and I have very little doubt that it will be necessary to resort to it. There are, however, some faint indications of a disposition to review the subject, which rendered it eligible that it should at least be brought before this government previous to the discussion in our conferences of the commercial convention.

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[1] This note will be found in American State Papers, vol. vi. (Foreign Relations) p. 975.

I found some difficulty in dividing the subject, so as to say enough in the first instance to have a chance of eliciting a spontaneous manifestation of the views of Great Britain. To conclude the note by saying only that the United States acquiesced in the determination of this government not to negotiate was insufficient, since that acquiescence is a matter of necessity and on which there was no choice. I have therefore added a general expression of the President's disposition to promote a restoration of the intercourse founded on mutual legislation. It is simply proceeding one step farther than in the note of 28th December last to Mr. Canning, which concluded by expressing the readiness of the United States to treat on the subject whenever it should be [the] inclination of Great Britain to negotiate upon it.

I have in a former despatch stated my reasons for omitting in the note some of the arguments contained in your despatch No. 26, and for saying nothing liable to cavil or contradiction and which might furnish this government with a pretence for avoiding the true question now at issue.

I have the honor, &c.

P.S.—I also enclose copy of a note written to Lord Dudley on the subject of the Africans intended to be returned to their own country.

GALLATIN TO HENRY CLAY.

No. 92.

London, 5th July, 1827.

Sir,—Mr. Huskisson had, about a fortnight ago, intimated to me that the state of his health was such as imperiously to require that he should abstract himself altogether for a while from public business, that in order to effect this it was necessary that he should go abroad, and that he accordingly intended to take his departure as soon as possible after the prorogation of Parliament. It was understood that what related to the commercial convention, the renewal of the 3d Article of the convention of 1818, and to the "nine articles," might be concluded before that

time, and that another person would be appointed in his place to terminate the negotiations on the other points, or rather on the only remaining point, that which relates to the North-Eastern boundary.

The twelfth conference had been appointed for the 29th ult., but, on account of the press of business at the close of the session of Parliament, was put off until the 3d instant. On the 2d, Mr. Addington informed me that Mr. Huskisson was again indisposed, and requested that we should postpone the meeting till the 4th; on the 3d the conference was for the same reason delayed till this day. And yesterday Mr. Addington called upon me and read to me part of a letter from their secretary, stating that it was impossible for Mr. Huskisson to attend to-day, and that the state of his health was so precarious that it was extremely doubtful whether the new commission would not be made out (appointing another person) before another conference could take place.

Mr. Addington has still hopes, and it is very desirable, that Mr. Huskisson will be able to attend once more, so as to come to a determination on the subjects above mentioned. But this is doubtful; and, at all events, it is now ascertained that my stay here must be protracted longer than I had expected, probably till the 1st of October. Mr. Addington says that he does not know who is contemplated to succeed Mr. Huskisson in the negotiation. He told me that on one point government had come to a conclusion: it was utterly impossible for them to agree to a stipulation for the surrender of fugitive slaves.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 99.

London, 28th July, 1827.

Sir,—Fearing that Mr. Huskisson's departure might be attended with some inconvenience in the formal part of the negotiations, I transmitted with my despatch No. 97 the drafts proposed but not adjusted of the last conferences at which he had

attended. Having in those that have since taken place agreed to renew the 3d and 4th Articles of the convention of 1818 indefinitely, but liable to be abrogated at the will of either party on twelve months' notice, we agreed to curtail as far as practicable the protocols, with the exception of that of the ninth conference, which had been signed by Mr. Huskisson before he left town.

We have had three conferences since Mr. Grant has been substituted for Mr. Huskisson. It was at that of yesterday that we finally agreed. We meet again to-day in order to sign the protocols, and, if they are ready, the two conventions. And I hope that I may send them by the packet of 1st of August, for which Mr. Cucheval, the bearer of the treaty with Sweden, affords a good opportunity.

I received an invitation to dine the day before yesterday at Chiswick with Mr. Canning, and to be there at four o'clock, in order to converse on the various subjects pending between the two countries. There was but little to say on the commercial convention, it having been already agreed to renew it. What passed on the subject of the territory west of the Rocky Mountains, being in reference to the practicability of further arrangements calculated to preserve peace whilst the question of a definitive boundary remains unsettled, will be the subject of a distinct despatch.

He opened the subject of impressment, and asked the usual question whether we had any new guarantee to propose. After having reminded him that on that subject I was instructed to receive and discuss but not to make proposals, I told him that as to any guarantees, he must expect none but the good faith of the United States and the interest they had in fulfilling the engagements they might contract in relation to that object. I had on a former occasion stated the argument as to the question of right, and I now argued in general terms on the policy as far as Great Britain was concerned. I feel satisfied that Mr. Canning entertains the same view of the subject; but he is in that respect, as Lord Castlereagh was, ahead of public opinion or national pride; but he does not perhaps feel himself quite strong enough to encounter those sentiments and to give new arms to his adver-

saries; and I think that, notwithstanding his conviction that an agreement such as we might accept is extremely desirable, he is not prepared at this time to make the proposal.

I asked whether I might expect an answer to my last official note on the colonial intercourse, to which he answered in the negative, saying that he had considered it as merely giving some final explanations and closing the controversy. I told him that as far as related to controversy or argument he was correct, but that, having stated the acquiescence of the President in the determination of the British Cabinet to let the subject be regulated by the respective legislative regulations of the two governments, we had expected a declaration of the ultimate views of that of Great Britain in that respect. He expressed his surprise that after what had been already stated there could be any doubt on that point. This was nothing more than what I had expected; and I only observed that the course adopted by the British government was so contrary to the nature of things and to their avowed general principles, that we had naturally considered it as a temporary measure and founded in part on misapprehensions, which I had hoped we had succeeded in removing. I am confident that you may rely that no change will take place for the present, nor until the experiment of supplying their West India colonies through their own means shall have failed and produced a reaction.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 107.

LONDON, 14th August, 1827.

SIR,—It is now understood that the new Administration of this country is to be but a continuation of that of Mr. Canning, to act on the same principles, and no new appointments to be made but those that are strictly necessary.

Lord Goderich is First Lord of the Treasury. Lord Harrowby, President of the Council, retires from office, principally on account of a domestic affliction. Marquis Lansdowne, Lord

Dudley, and the other Ministers, with the exception perhaps of Mr. Huskisson, remain in their respective offices. The Duke of Wellington may resume his place of commander-in-chief, but without a seat in the Cabinet, which he could not with propriety have accepted, since his fellow-seceders were excluded. Mr. Peel, and this is the greatest loss to the Administration, cannot at this time come in, having so lately committed himself by his solemn declaration that his reason for resigning was that he could not make part of an Administration at the head of which was a friend to Catholic emancipation.

The places to be filled are: 1, the President of the Council,—and I have not heard who is intended, perhaps the Duke of Portland; 2, Colonial Department, vacant by Lord Goderich's promotion; 3, Chancellor of the Exchequer, an office which as a peer he cannot fill. It is probable that the option of these two places will be given to Mr. Huskisson, now on the Continent, where he was to remain three months, but whom the late event will probably bring back. The last place is that for which he is best qualified, and to which he is called by public opinion; but his precarious health will probably induce him to take the Colonial Department, as less laborious and, above all, as requiring less public speaking. In that case Mr. Herries, the principal Under-Secretary of the Treasury, and a capable man, but without political influence, will probably be the Chancellor, though Lord Palmerston is also spoken of; and Mr. Grant, now Vice-President, will naturally become President of the Board of Trade.

The great difficulty is who shall succeed Mr. Canning as leader of the House of Commons. Mr. Peel, who would have more of their confidence than any other man, is out of the question; and all that can be hoped is that, agreeing on almost every subject but that of the Catholic emancipation with the members of the Cabinet, he will not become the leader of an opposition. Without him there hardly can be one in the House of Commons; and the return of the Duke of Wellington to the command of the army would go far to paralyze that in the House of Lords, whilst it would add to the weight of the Administration abroad. Mr. Brougham is undoubtedly the first man in the House of Commons, superior to Mr. Canning in force and logic, at least

equal in sarcastic powers, far more consistent in his political opinions; but these are much too rank for the House and, perhaps, for the nation. Not even a moderate Whig would do for the present, and Mr. Brougham is, besides, too harsh, better calculated to drive than to lead. Mr. Huskisson is, therefore, the only man; and he is accordingly looked on and intended as the Ministerial leader in the House.

This place, for it is one, united to the superiority of his talents and energy over his colleagues, would make him in reality almost Prime Minister, if he was not rather a sensible than an eloquent speaker, and if it was not that he must govern through two at least of his associates, Lord Goderich, who, besides all the patronage of his office, must be considered as the head of the moderate Tory party, and Marquis Lansdowne, who is the head of almost the whole Whig party; both also greatly and justly respected, and men of sound judgment and solid, if not showy, talents. Power will be more divided than under Mr. Canning. I think that the influence of Marquis Lansdowne would be greater if he could be transferred to the Foreign Office. As matters now stand, the great political questions will be decided by the Cabinet. Mr. Huskisson will have more weight in those affecting the finances of the country; he will direct almost exclusively (with the exception of the corn question) the commercial regulations, whether interior or in their connection with foreign relations.

There will, therefore, be no change in the policy of Great Britain towards us. The question of colonial intercourse was decided almost entirely by Mr. Huskisson's influence. He adheres to that decision, and, immediately before leaving the country, again committed himself in that respect by positive assurance to merchants interested in the subject. All the difficulties in renewing the commercial convention, and the determination not to renew it unless it might be rescinded at will, also originated with him. He has an undue and not very liberal jealousy of the increasing navigation of the United States. In other respects he cannot be said to be hostile to them; and he would wish that causes of actual rupture might be removed. I have reason to believe that he would be in favor of a satisfactory arrangement on the subject of impressment. His views in regard

of the country west of the Rocky Mountains are, on the whole, temperate, and the difficulties on the subject of the North-East boundary cannot be ascribed to him. Whether his reign will last is extremely doubtful; his general health is precarious, and he has an organic affection of the throat, so serious that he never made a long speech during the last session of Parliament without experiencing a relapse.

The present Administration will, at all events, last till after the next meeting of Parliament in January, and will probably become permanent, if not disturbed by untoward events. The critical situation of affairs in Portugal is at this moment the principal cause of embarrassment.

I have the honor to be respectfully, sir, your most obedient servant.

GALLATIN TO HENRY CLAY.

No. 108.

London, 21st August, 1827.

Sir,—I have the honor to enclose the copy of a note to Lord Dudley on the subject of the colonial intercourse, which, though dated the 17th, was only transmitted to-day.[1]

As soon as it was fully ascertained that this Administration was to be to all intents and purposes a continuation of that of Mr. Canning, with no other change but the addition of a single person (Mr. Herries or perhaps Mr. Grant), there was no motive for delaying the inquiry. Should the Ministry wait for Mr. Huskisson's return, he may not arrive till November. Should they answer without consulting him, it affords the only, though extremely slender, chance of a change of policy. It is, however, much more probable that, imbued with the spirit of Mr. Canning's Administration, they will, without waiting for Mr. Huskisson, answer in the negative. It is only in case they should hesitate that they will consult him. I have, at the same time I sent the note, asked an interview from Lord Dudley. I will also try to see Lord Goderich and Marquis Lansdowne, and use all the

[1] See American State Papers, vi. 977.

arguments which the occasion suggests to make an impression on them. Unfortunately, no inconvenience has yet been felt from the measures that have been adopted. You are better informed than I am of the manner in which the British West Indies have been supplied; but no remonstrance has yet been made from that quarter. The shipping interest, erroneously in my opinion, believes that it will be benefited by an adherence to the system. It is, therefore, supported at this time by the universal public opinion. There is not any motive at present to depart from it but the fear of displeasing us; and this is not sufficiently strong, with a Cabinet that has just lost its chief and contains no man very remarkable for decision to induce an immediate change of the policy bequeathed to it.

Mr. Canning, perfectly open, and even familiar, on every other subject, on that one was always rather repulsive and short, and always repelled any supposition that the intercourse would be restored. He always spoke as if the two declarations in his note of 11th September, 1826, were intended and must be understood as foreclosing the subject. Seeing him in that temper, I avoided pressing him prematurely, hoping that time might soften him and render him less positive, and knowing that, if they could produce any effect at all, my arguments had better be reserved for the time when it should become necessary to speak. Notwithstanding that unfavorable disposition, I had much rather have had to deal with him at this moment than with the present Cabinet, not only on account of my personal footing with him and of the reliance he would have placed in my representations so far as American facts were concerned, but because with his sagacity, quickness, self-confidence, and decision there was the chance that, if convinced and no longer under feelings of irritation, he would dare to act. Though influenced by Mr. Huskisson in all that related to commerce and commercial relations, he was the only man that could control him even on those subjects, and he had the exclusive lead when they became clearly affected by political considerations.

I enclose a London Gazette, containing an order of council of 16th July last, issued in conformity with the Act of Parliament of last session. You will see what nations have complied

with the conditions of the Act of 5th July, 1825, and to which of those that had not complied (France and Russia) the privileges of trade and intercourse with the British colonies have nevertheless been extended. This invidious distinction, as contrasted with our exclusion, is one of the topics on which I intend to dwell.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 109.

LONDON, 24th August, 1827.

SIR,—I had stated that the present Administration might be considered as permanent till at least the next meeting of Parliament. The promptitude with which the general arrangements were made and approved by the King, without any apparent dissatisfaction in any part of the Cabinet, had removed the uncertainty that prevailed during the first moments; and I had not paid much attention to some subsequent floating rumors to the contrary, having had very direct information corroborating the general opinion. (This was principally derived from Mr. Dennison, whom you have seen in America, one of the most promising young men of the country, one of the Lords of the Admiralty, and lately married to the daughter of the Duke of Portland.)

But I have had since reasons to alter my opinion. I was stating to Lord Dudley, in a transient conversation I had with him the night before last, that the interview I had asked with him was principally for the purpose of giving explanations and making some important observations on the subject of my note of 17th instant, previous to its being taken into consideration by his Majesty's government. But I immediately discovered that they were not at all prepared even for that preliminary discussion, that the arrangements were not completed, and that there was some cause of uneasiness among themselves. As he said emphatically that they had no head, I asked whether Mr. Huskisson was expected; to which he answered that he was most anxiously expected and wanted. His return will not make

our case worse, for it is clear that his colleagues would have referred it to him, and it is not so bad to have to deal with him present and in a direct way as absent and through an intermediary. The unsettled state of the Administration can produce no other inconvenience to us but delay; and we have nothing to lose by a change,—very little to hope, it is true, for I strongly suspect that, whoever is in, Mr. Huskisson will remain.

The cause of this misunderstanding, if not compromised, will soon be known. From some hints, and from two opposite pieces in the Times and Courier of yesterday, I think it probable that the Whigs are dissatisfied, and that the opposition to Mr. Tierney's pretensions to the Chancellorship of the Exchequer may have contributed to their displeasure.

GALLATIN TO HENRY CLAY.

No. 111.

London, 30th August, 1827.

Sir,—The suggestion that Mr. Tierney had pretensions to the Chancellorship of the Exchequer, contained in my despatch No. 109, was unfounded. This Cabinet was formed and the accession of the Whigs was founded on the principle of amalgamation between them and the moderate Tories, with whom they do not differ on any practical important question; but in this was implied the exclusion from the Ministry, though not from office, of the high Tories. Mr. Herries, who is one of these, was designated as Chancellor by the King without having, it is said, consulted the Cabinet. This nomination had its origin either in bias for the ultra Tory or rather High-Church party, or in indirect influence, perhaps in both. A majority of the Cabinet was highly dissatisfied, and objected; the Marquis of Lansdowne intimated that he would resign; others are said to have held the same language; the King was irritated; a question arose how far his power to form a Ministry extended; and everything was kept in suspense, waiting for Mr. Huskisson.

This gentleman, hearing at Innsbrück of Mr. Canning's ill-

ness and danger, immediately took his departure, without waiting for official or further advices. He arrived at Paris much fatigued, and was obliged to rest there some days. His return to England has been accelerated by the pressing solicitations of his colleagues; and he arrived here on the 28th. He had yesterday a long interview with the King, and is to return to-day to Windsor. The easiest way to get rid of the difficulty would be for him to accept the office in question; in which case Lord Palmerston would probably be transferred to the Colonial Department, and no new person be introduced in the Cabinet. But this would be a great personal sacrifice; the difference of salary is, I believe, £2000, and Mr. Huskisson is not rich; what is a still more important consideration, and not to him alone, is that, with his precarious health, he wants in the House the assistance of a Chancellor, instead of being burdened with the duties of the office. Whether this will take place, or either of the parties will yield, or the Administration be new-modelled, must be decided incessantly, but is as yet quite uncertain. Till this is settled, everything that relates to us remains suspended, and I cannot move a single step. I have only taken the necessary measures to have an interview with Mr. Huskisson on the subject of the colonial intercourse as soon as their own matters shall have been arranged. . . .

Your despatch No. 24, in favor of Messrs. Howland, has been received this morning; Mr. Brent's letter of 20th July, enclosing sundry papers relative to the rolled-iron question, is also received. Though too late for the discussion, I have been gratified to find that I had in the course of the negotiation taken no ground, either as to facts or argument, that did not entirely accord with the language formerly held and with the view that had been entertained of the subject.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 117.

London, 21st September, 1827.

Sir,—After a very arduous negotiation, we have at last agreed on the terms of the intended convention for regulating the proceedings of the reference to a friendly sovereign or state of the North-Eastern boundary, in conformity with the 5th Article of the Treaty of Ghent. Some points of minor importance in the general map, agreed on in lieu of the two conflicting that had been rejected by the commission, remain alone to be adjusted. This map is only a skeleton, containing the water-courses and connecting together the partial surveys filed with the commissioners. The contending lines are traced on it in reference to the water-courses; but none of the highlands are delineated on it, this being, in fact, the main question at issue, and on which we could not, of course, agree.

I was in hopes to have sent by the packet of the 24th the protocols and an informal copy of the convention; but they are not yet prepared. The convention itself will probably be signed in time to be transmitted with the accompanying documents (the general map excepted) by the packet of the 1st of October. I will now only say that we preserve all the evidence laid before the commissioners, and dispense with all the rest of their proceedings, including reports and arguments; that for these, statements, to be drawn by each party, are to be substituted, with power to each to make a reply; that provision is made for the adducing new evidence within nine months after the exchange of the ratifications; and also power reserved to the arbiter to call for additional evidence and elucidations, and to order new surveys if he shall think it necessary.

The British plenipotentiaries will not entertain any proposition respecting the navigation of the St. Lawrence founded on the right claimed by the United States to navigate that river to the sea. Although it may prove hereafter expedient to make a temporary agreement without reference to the right (which I am not authorized to do), I am satisfied that, for the present at least and whilst the intercourse with the British West Indies

remains interdicted, it is best to leave that by land or inland navigation with the North American British provinces to be regulated by the laws of each country respectively. The British government will not, whilst the present state of things continues, throw any impediment in the way of that intercourse if the United States will permit it to continue. I have not received the answer of this government to the inquiry respecting the colonial intercourse, nor that of the British plenipotentiaries on the Nine Articles. These are the only subjects remaining unfinished.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 119.

LONDON, 26th September, 1827.

SIR,—At our last conference, which took place yesterday, the British plenipotentiaries took up the subject of the "Nine Articles."

They reiterated the declaration, which they had already intimated, that their government could not accede to the proposal of a mutual surrender of fugitive slaves taking refuge in any part of America within the dominions of the other party. When the proposal was first mentioned, I had thought, perhaps erroneously, that it was not unfavorably received, and that the objections applied only to the mode of execution. The reason alleged for refusing to accede to a provision of that kind is that they cannot, with respect to the British possessions where slavery is not admitted, depart from the principle recognized by the British courts, that every man is free who reaches British ground. I do not believe that there has been any decision extending that principle to Canada and other provinces on the continent of North America; and I do not know whether the fact is strictly correct that slavery is forbidden in Canada. But it has been intimated to me informally that such was the state of public opinion here on that subject that no Administration could or would admit in a treaty a stipulation such as was asked for.

No specific reason has been entered on the protocol by the British plenipotentiaries.

They further stated that, one of the most material articles having been rejected (the second), and the two governments not being agreed on several of the others, they did not consider the subjects embraced by the articles to be of sufficient importance or urgency to be the subject of a separate convention.

I observed that most of the amendments I had proposed had been offered only for consideration and as improvements of the original propositions made by Great Britain; that, if not viewed in that light by her, I would not be tenacious, and that, as there were only two on which I was instructed to insist, and these such as I was sure would not be rejected, there would be no difficulty if the apparent disagreement on some points was the only objection.

They then said that they really did not think it worth while to make a convention for such purposes only as the articles embraced; that most of the provisions therein contemplated (Articles 3 to 8) were such as would, between Great Britain and the United States, be naturally acted on without a treaty; and that when the propositions had been made in 1824, it had been with the expectation that they would be appended to a convention embracing more important objects.

Although the reasons assigned did not in every respect appear conclusive, I could but acquiesce in the determination of the British plenipotentiaries.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 120.

London, 28th September, 1827.

Sir,—The convention respecting the North-East boundary is not yet signed; but I believe that it will be ready to-morrow or early next week, when we shall hold our last conference, all the subjects on which we were respectively instructed being exhausted.

I will transmit the protocols at the same time with the convention, to which they refer almost exclusively.

The answer to my note of 17th August to Lord Dudley has not yet been received, and I do not know whether there is any intention to delay it, although I am certain, from another conversation I had yesterday with Mr. Huskisson, that there is none to change the determination already announced on that subject. This being the only thing which, after signing the convention, will detain me here, I will, when it shall have been received, avail myself of the permission of the President to return home when the negotiations intrusted to my care should have been terminated.

I have reason to believe that had Mr. Canning lived he would have opened a negotiation on the subject of impressment. Understanding, from an authentic source, that there was some disposition to that effect amongst two or three members of the Cabinet, I sought an interview with Mr. Huskisson in order to ascertain the fact; as, however anxious to return, I would have remained till next spring had there been any chance whatever to make a satisfactory arrangement on that subject, or, indeed, on any of those on which we have heretofore been unable to agree.

Mr. Huskisson expressed himself in the most decided terms in favor of an arrangement founded on the basis heretofore proposed by the United States. He entered into no details and asked no questions, as he was aware that the proposal must come from Great Britain. But he said that if the right was well founded, and he did not intimate that it was, it was one the exercise of which was intolerable. He had been in hopes that, had Lord Liverpool's Administration been permitted to continue, a satisfactory arrangement might have been made. But he was sorry to be obliged to add that this was not the time to take up that subject, that he could not recommend it to the consideration of his colleagues, and that it must be postponed to a more favorable opportunity.

It is very clear that he does not think this Administration sufficiently strong, and that he does not wish, deprived of the assistance of Lord Liverpool and Mr. Canning, to encounter on that subject the clamor of the navy, the opposition of the

Tories, and, if not the public opinion, at least the pride of the nation.

I may here remark that I have not been able to arrange any subject but such as did not admit of being delayed. And although this has been in a great degree owing to the unfavorable temper I had to encounter, it may also be in part ascribed to the unsettled state of the Cabinet since Lord Liverpool's political death. The determination not to open the colonial intercourse, and that not to negotiate on the navigation of the river St. Lawrence without something like a disclaimer of the right, had been taken before my arrival; and on both points this government was immovable. In other respects, and in their feelings generally towards the United States, I think that they are in a better disposition than I found them.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 125.

LONDON, October 3, 1827.

SIR,—I have the honor to enclose Lord Dudley's answer (dated 1st instant) to my notes of 4th June and of 17th of August. I had anticipated the negative answer to the inquiry contained in the last-mentioned note, having had two interviews with Mr. Huskisson, in which I exhausted in vain every argument drawn either from sound policy or from the friendly feelings he professes, and on some subjects entertains, towards the United States. I found him immovable, but could not obtain any satisfactory explanation of the motives for persevering in the measures adopted in regard to the colonial intercourse. I only discovered irritation, not yet extinguished, on account of the United States not having met, especially in 1823 and 1824, the overtures of Great Britain as he thought they ought to have been; and it seems to me that there is also some obstinacy in the way.

I had not expected that Lord Dudley would have reverted to topics already so much debated and again try to raise doubts on points which had been satisfactorily explained. Indeed, Mr.

Canning had explicitly told me that he thought it was time to close the controversy, and that he would not make any answer to my note of 4th of June. Although there was very little worth notice in Lord Dudley's animadversions, yet, as there would have been no further convenient opportunity to answer him, I have made a reply, copy of which is enclosed.[1] I was strongly tempted to write what I had said to Mr. Huskisson. But it was so irregular, to show that Great Britain derived no advantage from her measures, and to demonstrate that she was mistaken in what regarded her own commercial policy, that I abstained. Although they ought not to have again controverted our statements, the answer was intended to be very civil to the United States.

I have the honor, &c.

GALLATIN TO HENRY CLAY.

No. 126.

London, October 4, 1827.

Sir,—Having brought to a close the negotiations which had been intrusted to my care, and received the definitive answer of this government to the proposal which I had been authorized to make on the subject of the colonial intercourse, I will avail myself of the permission of the President to return to the United States.

I have accordingly presented Mr. Lawrence to Lord Dudley, and will write an official letter to his Lordship informing him that I have permission to return on leave of absence, and that Mr. Lawrence will remain as chargé d'affaires till the President's pleasure is known.

The current business of this mission is much less than I had anticipated, and there will be none of a public nature till some time after the meeting of Parliament. It is only then that the movements respecting the Ministry may become interesting and that the acts or measures which might affect our interests must be watched.

I have the honor, &c.

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[1] See State Papers, vi. 982.

GALLATIN TO HENRY CLAY.

No. 127.

NEW YORK, 30th November, 1827.

SIR,—I arrived here last night, after a passage of fifty-two days, and presume that you must have already received the duplicate of the despatches, &c., which I transmit by this day's mail.

I omitted to state in my despatch No. 115 that Mr. Huskisson complained that the laws of the United States imposing restrictions on the colonial intercourse applied exclusively to Great Britain.

I replied that the reason was because Great Britain was the only power that imposed in that intercourse restrictions on American vessels. If the list of articles of imports or exports from and to the United States was limited in the French and Dutch colonies, the limitation was the same, and no other restrictions imposed on the American navigation than on that of the mother-country. As to Cuba, it was notorious that, although the restrictive colonial system might not have been repealed, it was a dead letter, and that the trade of that island was perfectly open to us as well as to other nations. Mr. Huskisson observed on this that it was true that Cuba, though nominally a Spanish possession, was in reality a colony of the United States. Whether he thinks that a similar effect would be produced with respect to the British West Indies if opened to the United States, I will not pretend to say. But it may be considered as a settled point with him not to make the laws regulating that intercourse to depend directly or indirectly on any agreement or understanding whatever. If it is again opened, it will [be] on such conditions as may be prescribed by Act of Parliament, and to be accepted or rejected but not modified by the United States.

I have some further explanations to give respecting the maps accompanying my despatch No. 124 and the evidence to be collected or applied for under the convention relative to the North-Eastern boundary. But, as this does not relate to the merits of the convention, but to the proceedings under it if it shall be ratified, I will rest some days before I take up the subject.

I have the honor to be, respectfully, sir, your most obedient servant.

GALLATIN TO J. Q. ADAMS.

Private.

NEW YORK, 5th December, 1827.

DEAR SIR,—I have been so much indisposed since we landed that, with the exception of a short letter to Mr. Clay announcing my arrival, I have not written a single line.

It would have gratified me to have complied with your wishes by remaining one year longer in England; and I would have done it had not the situation of my family rendered an early return a matter of urgency, or had there been any prospect that, within that time, any of the subjects of negotiation which I had not succeeded in arranging might be again taken up with advantage. There were four of that description: 1. The colonial intercourse, of which there is no hope, and for which we must wait till a change of men or of opinion takes place in England. Indeed, had it not been for other considerations, it would have been better not to have agitated again the subject this year. 2. Some more permanent arrangement respecting the territory west of the Rocky Mountains until the boundary can be agreed to. There is in regard to that question, on which I wrote an official despatch, an intrinsic difficulty, that of military posts, without which our citizens would not be protected, and which, if Great Britain should follow the example, would give her a hold of the country difficult to get rid of. But, could that be arranged, I am satisfied that the Western feelings, and the fear, unfounded in my opinion, of the ultimate views of England in that respect, would prevent anything being done at this time. As the British government seemed anxious on that subject, I have impressed on them the necessity of transferring the negotiation respecting it to Washington, where alone what is practicable can be ascertained. 3. The navigation of the St. Lawrence. This might, in my opinion, be obtained at any time by renouncing the right. It is certain that it could not be secured at this time by any agreement which would not be tantamount to a renunciation. But I believe that, by letting the matter rest for a while, a temporary convention may ultimately be made in such terms as will give us the navigation on the grounds of mutual convenience,

and, if not with a reservation, yet without any abandonment of the right. I must, however, observe that, as the great inducement for Great Britain to agree to this is the wish to turn our commerce through the channel of Quebec, she may ask as a condition that the exportation of our produce to Canada shall not be prohibited, unless the prohibition be general,—a provision which may be deemed inadmissible so long as her West India possessions are shut to our vessels. In the mean while, the British Cabinet now understands so well what it is the interest of Great Britain to do in that respect, that it is extremely improbable that the trade of our citizens there shall be again interrupted. 4. Impressment. This is the only subject on which, in my opinion, an arrangement may perhaps be made in the course of next year on the basis of the article which Mr. Rush had been authorized to propose. The British Administration is generally, if not unanimously, in favor of it. If any of its members is against it, which I cannot assert, it must be some one of no consequence. But the navy and, as they think, public opinion is against it; and they dare not approach the question until it shall have been ascertained during the next session of Parliament that they are firmly established in their places. It is very true that the contemplated arrangement is founded on a concession on our part. In order to obtain the relinquishment of an intolerable practice for which England has not the shadow of a right, we would agree to abstain from employing their seamen, which we have an undoubted right to do. There is no motive for it but that of avoiding being involved in a war with Great Britain against our inclination and interest whenever she may happen to be at war with any other country. I do not know precisely what importance you attach to that subject, but, if you think the arrangement desirable, I would beg leave to suggest that it would be facilitated by removing the restriction laid on me to make no proposal. The British Cabinet is, however, fully apprised that the propositions must come from them. I must add that at my last conference with Mr. Huskisson, after he had expressed himself in the most explicit manner as very desirous that an arrangement should be made, I told him that, although anxious to return home, I would remain at least till

next spring, if he would assure me that he would bring that subject before his colleagues within a reasonable time and recommend it to their consideration, and that he declared his total inability of doing it, or of assigning any time when it might be done.

I have certainly left the British government in better temper than I found them. The unsettled state of the Administration and the successive removal or death of two Prime Ministers were vexatious circumstances, and which increased the difficulties of my mission. Whilst I regret that nothing more could be done, I am consoled by the consciousness that all has been done that was practicable. I have left literally nothing to do in Mr. Lawrence's hands except attending to a private claim of 300 pounds. The current business of the mission is nothing at all; at least I found it so during my residence. Nothing will be done in England that can affect us before the meeting of Parliament, and it is extremely rare that anything is matured before the Easter recess. From March to September is the period when the presence of a minister of the United States is most necessary. But the sooner a successor is appointed and repairs to England the better it will be, as a new man may not understand the ground at once.

I have written so much at large on every subject that I do not anticipate that my presence can be necessary at Washington for the sake of giving any verbal explanations; and a journey would be rather inconvenient, it being my intention to spend this winter here. But if I am wanted for anything connected with my late mission, I will of course attend as soon as my health will permit me to travel.

There is but one subject on which, as far as I can judge, I may be of some use, and that is the North-East boundary. But, as this would be in relation not to the convention but to the proceedings under it if it is ratified, it is not a matter of immediate urgency. I will, in the mean while, prepare another official despatch on that subject, giving all the explanations that can be given in a letter.

I have the honor to be, with sincere respect and attachment, dear sir, your most obedient servant.

J. Q. ADAMS TO GALLATIN.

WASHINGTON, December 12, 1827.

DEAR SIR,—I have received your obliging letter from New York, and although it would give me great pleasure to see you here, I know not that any material public interest will require your presence. Your three conventions were sent yesterday to the Senate for their consideration. In what light they will view them I cannot yet foresee. I wish they may prove as satisfactory to them as they are to me.

I regret exceedingly for the public interest that you found yourself under the necessity of coming home. At the time of your arrival in England, although I do not believe they had a deliberate purpose of coming to a rupture with us, they were undoubtedly in a waspish temper, and Mr. Canning had determined to play off upon us one of his flourishes for effect. He had been laying up a stock of resentments, for which he was hoping to expose us to public and open humiliation. I believe that which most rankled in his mind was the disappointment of the slave-trade convention, though he said, perhaps, not a word to you about it.

But, whatever it was, your convention upon the slave indemnities first turned the tide of feeling and soothed irritations on both sides. You gained an ascendency over him by suffering him to fancy himself victorious on some points by the forbearance to expose too glaringly his absurdities, and his position, from the time of Lord Liverpool's political demise, warned him that he had enemies enough upon his hands without seeking this *querelle d'Allemand* with us.

Nothing can be more preposterous than their obstinacy upon this colonial trade squabble; and you had not set your foot on board ship before they began to grow sick of it. A hurricane had already burst upon the island of St. Kitts and the Virgin Isles. They have now, by proclamation, opened the Bahama Islands for vessels in ballast to go and take salt and fruit, and, on the 31st of October, Mr. Grant told Mr. Lawrence that *he regretted* you had not settled this affair as satisfactorily

as the others. Lord Dudley also admires the great ability of your *last* note on the subject. These are among the indications not only that their experiment of supplying their islands without us is failing, but that they begin to feel it. I believe had you stayed over the winter, they would have come to our terms upon this affair before another summer. Whether they would promote our own interest so well as the present condition of things, remains, as it always has been, a more doubtful point to me.

The North-Eastern boundary question is far otherwise important to us than that of the colonial trade; so important as to give me the deepest concern. I hope your convention will have the approbation of the Senate, and that the sequel will be satisfactory to us. We shall want the benefit of your information and of your advice.

There are so many of these breakers close aboard of us that I have lost some of my concern for the distant danger of impressment. Mr. Canning was so fond of creating worlds that, under his Administration, the turn of a straw would have plunged Great Britain into a war with any nation upon earth. His successors will be more prudent, and, I hope, more pacific. If they should engage in a war to which we shall be in the first instance neutral, I doubt whether they will authorize their officers to impress beyond their own territorial jurisdiction. I would not lose any opportunity of coming to an arrangement with them to abolish this odious practice, but I am weary of renewing with them desperate discussions upon it.

Altogether, if your conventions are ratified, I shall indulge a strong hope that our relations with Great Britain generally will become more friendly than they have lately been. But I know only that I shall feel most sensibly the loss of your presence at London, and can form no more earnest wish than that your successor may acquire the same influence of reason and good temper which you did exercise, and that it may be applied with as salutary effect to the future discussions between the two governments.

I remain, with great respect and attachment, your friend.

GALLATIN TO EDWARD EVERETT.

New York, August 6, 1828.

Dear Sir,—I have received your letter of 29th ult., and really think that the article in the Quarterly Review is not worth answering. I will, however, note the principal errors in pages 285–290.

The United States may in their diplomatic intercourse have been guilty of much cold argumentation, never to my knowledge (excepting Pickering versus Adet) of any want of the usual courtesy and civility. The charge is quite untrue as to the correspondence, &c., with Great Britain since the Treaty of Ghent. See in the additional documents on colonial intercourse laid before Congress on 28th April last, No. 259, Lord Dudley's declaration, at bottom of page 42. Observe that the *inquiry* and generally the tenor of my correspondence were in strict conformity with Mr. Clay's instructions. And I *do know* that the British government was equally pleased with the tone and manner of Mr. Rush during the whole of his mission and negotiations. But we publish everything; and the instructions of a Secretary of State to an American minister abroad must be explicit, and may not always be clothed in the same polite language towards a foreign nation which is used in a diplomatic note.

The doctrine of impressment as laid down by the writer is untenable and absurd, and his assertion, that the Americans have no concern with the *general* question, outrageous. With the *special* question, that of the right of Great Britain to press her own subjects within her own jurisdiction, they have nothing to do; but they never will again submit to the extension of that special right to a general claim of pressing any person, American or British, on the high seas on board of American vessels. The question of right should not, however, be discussed without having paid great attention to the subject, an investigation of no inconsiderable labor; and there are, besides, reasons of a public nature connected with the real opinions of the British government why the discussion should be now avoided. But

taking, without discussing it, the right as being indubitably on our side, the writer may be treated as severely as you please, and it may in the strongest manner be asserted that no independent nation can; that Great Britain is the last nation that would submit to the practice, and that America never will again.

It is not true that any line has been agreed on yielding to the United States the contested territory of six and half (not ten) millions of acres, adjacent to New Brunswick, which they claim in strict conformity with the letter and spirit of the treaty of 1783. The commissioners on that part of the boundary extending from the source of the St. Croix to St. Regis, on the St. Lawrence (Mr. Van Ness and *old* Mr. Barclay), disagreed, the British commissioner having very erroneously decided in favor of the British pretension to that territory, and the question being now at issue and left to the decision of an arbiter.

But there was another commission on the boundary extending from St. Regis to the Lake of the Woods. On this the two commissioners (General Porter and *young* Mr. Barclay) did agree; and it is true that in dividing the islands in the river St. Lawrence between the two powers, the best channel has in one place fallen within the limits of the United States. Observe that whilst the British refuse us the free navigation of that river through their territories, we have not as yet, though we may do it, forbidden their using our channel.

The geocentric latitude is, at least in part, a fair hit; but the facts are not correctly stated. It was on the suggestion of Mr. Hassler, the astronomer on the part of the United States, that Mr. Bradley, the American agent, was induced, in one of his arguments before the commission, to submit, as a matter of doubt, whether the 45th degree of latitude should not be determined in conformity not with the observed but with the geocentric latitude; which afforded to the British agent (Mr. Chipman) the only triumph he could boast of in the whole course of the argument. But this pretension has never been countenanced by the government of the United States. Their commissioner, Mr. Van Ness, did not sustain it; Mr. Monroe was not consulted on the subject; it was not mentioned by the American agent to Mr.

Gallatin, who was minister at Paris the whole time the commission was in session in America, and who never heard of that pretension, that had been thus advanced in the year 1820, till after he had been appointed minister to England in 1826. He declared at once the position to be untenable; the principle of geocentric latitude (which is derived from the figure of the earth, now known not to be a sphere) having never been received in geography; no map having ever been constructed on that principle; the observed latitude having been and being always meant in common parlance and in treaties; and all the boundary-lines (depending on latitude) between the several States, as well as that of the 31st degree (as surveyed by Ellicot) between the United States and what was then Spanish Florida, having been understood and surveyed according to the observed latitude. What the American government contends for in that respect is that so much of the line established prior to the year 1776, as being in the latitude of 45 degrees and the boundary between the then provinces of New York and Quebec, as had been actually surveyed prior to that year under the joint authority of the two provinces, was not by the Treaty of Ghent intended to be again surveyed, but is and ought to remain as heretofore the boundary between the dominions of the two powers.

It is not intended to discuss now questions which by agreement have been left to the decision of an arbiter; and the discussion at this moment might be injurious, by disclosing to the British government more of our argument than is necessary; but, if there was any inclination to retaliate, the arguments or rather assertions of the British agent and commissioner on the great question, the Maine boundary, would afford the most ample field. The British government may have new arguments to offer, but those heretofore adduced are a most incoherent mass of disgraceful cavils, and if nothing better is advanced the British have not a shadow of claim to the contested territory.

It is not true that the claim of the United States to the river Columbia and Western territory rests only on Lewis and Clark's voyage. But the official statements of the claims of the two powers have been attached, that by Messrs. Huskisson and Addington to the protocol of the sixth, and that by myself to

the protocol of the seventh conference; and both have been communicated to the House of Representatives by the President on 15th March last. Document 199, pages 50 to 71.

The facts, &c., relating to the claim to the navigation of the St. Lawrence will be found in document No. 43, communicated by the President to the House of Representatives on 7th January last. The argument derived from natural law is strong; the precedents, that of the Scheldt excepted, are, I fear, against us; the most formidable objection is perhaps to be found in forty years' acquiescence, and in having accepted by the treaty of 1794 a part only, and very limited, of the navigation, unaccompanied by any assertion or reservation of the right. I have no doubt of the free navigation being ultimately allowed by Great Britain, not as a matter of right, but because it is clearly their interest to afford every facility that may draw our produce to Quebec.

It is not for me to advise; but, if you think it necessary to answer the article of the Review, I wish, because I think it for the public interest, that it may be done in as conciliatory manner towards the British government as is consistent with our rights. The writer may be treated with the severity he deserves; but, without hoping for an Utopian state of things, I may say that there is more need to assuage than to irritate the feelings of two countries placed by natural causes in such extraordinary and delicate relative situation as the United States and Great Britain. I hope to see you in Boston in September next, and remain, respectfully, dear sir, your obedient and faithful servant.

GALLATIN TO EDWARD EVERETT.

New York, 9th August, 1828.

Dear Sir,—I forgot in my letter of 6th instant to take notice of one of the assertions in the article of the Quarterly Review.

It is not true that the United States deny the right of search for enemy's property. For, at the same time that they wish to establish by common consent the contrary principle of "free

ships, free goods," they have, in all their late treaties where this last principle is agreed to, inserted a clause restricting its application to those powers only who recognize it. See 12th Article of treaty with Spain of 1819, and treaties with Colombia, Central America, &c.

It is true that the United States have proposed to Great Britain to agree by treaty to that principle of "free ships, free goods," and even to abolish altogether private war by sea, as it is by land. All that the writer in the Review says on that subject only proves that the attempt was hopeless, and that, even with respect to the right she claims to capture enemies' property on board neutral ships, Great Britain intends to persevere *alone* and in opposition to the wish and opinions of every other nation, for no other reason than that alleged by the writer,—that she is the most powerful at sea. Almost every nation has, from the circumstances in which they have all been placed, been compelled to acquiesce in the British doctrine. France alone has never yielded the point, and still strenuously contends generally against the right of search and for the principle, once asserted by the armed neutrality, of "free ships, free goods."

It is important not to confound, as has sometimes been artfully attempted, the right of search with the pretended right of impressment. In opposing this we do not contend against the right of search for purposes in which we have, like other nations, acquiesced; that is to say, so far as relates to objects which we have admitted to be liable to capture and condemnation, such as enemies' property and contraband articles. But we deny the right of capturing or taking out of neutral ships (and therefore of searching for) persons of any description whatever, with one single exception; which, as it strengthens the general principle, and I had not stated it in my former letter, I will point out. The 15th Article of the treaty with Spain of 1795 (under General Washington's Administration), after providing that everything shall be deemed free and exempt which shall be found on board the ships belonging to the subjects of either of the contracting parties, stipulates "that the same liberty be extended to persons who are on board a free ship; so that, although they be enemies to either party, they shall not be made

prisoners or taken out of that free ship, *unless they are soldiers and in actual service of the enemies.*" The same provision will be found in the 14th Article of the convention with France of 1800 (under Mr. John Adams's Administration), in the 12th Article of the treaty with Colombia, in the 14th Article of that with Central America, and in Mr. Madison's instructions to Mr. Monroe, or to Messrs. Monroe and Pinckney of 1806. Yet, as all those treaties were with nations that acknowledged the principle of "free ships, free goods," I am not ready to assert that with respect to Great Britain, since we admit that enemy's property is liable to capture and condemnation, the exception ought not to be to the same extent as respects persons, so as to admit that all enemies may be taken out, although they be not soldiers and in actual service of the enemies. You may perceive by this that, repugnant as the British doctrine of impressment on the high seas is to the rights of nations, to common sense, and to universal feelings, yet some care is required in stating the question and managing the argument so as to render this altogether unanswerable and liable to no disingenuous cavil whatever.

I remain, with great respect and regard, your obedient and faithful servant.

GALLATIN TO MARTIN VAN BUREN.

New York, March 4, 1829.

Dear Sir,—I would accept the mission to France, which the state of my private affairs at the time compelled me to relinquish, and which, as Mr. Brown has informed me, is now vacant; the duties require no more labor than I can easily perform, and the office would be acceptable, partly on account of my health, principally from my earnest wish to place my eldest son James, and the hope that, if appointed, I might be permitted to take him for secretary of legation. But I would not have thought of it had I not believed that, considering my familiar knowledge of the relations of the two countries, that of the

language, the proximity to the Netherlands, perhaps that to England, and my standing with the French government, the appointment might in certain respects be attended with some public advantage. I say this without any prejudice to the equal or higher claims of others, and would not even have mentioned the subject had I not found that an opinion prevailed at Washington, correct only in relation to England, that I would not on any consideration accept again a foreign mission.

GALLATIN TO C. P. VAN NESS.

New York, 22d March, 1829.

Sir,—Your letter of 3d January reached Washington after I had left it, and was after a while forwarded to me. An accident to my right hand prevented an immediate answer, which has since been delayed longer than was necessary or proper. I pray you to excuse this, and to ascribe it to anything but the respect justly due to you.

When at Ghent it was not known to me, and I believe my colleagues to have been also unacquainted with the fact, that the boundary-line between the then provinces of New York and Quebec had been officially surveyed, with the sanction of the Crown and by the competent provincial authorities. The treaty accordingly assumes and declares as a fact what was not really true, that no part of the line from the source of the river St. Croix to the river St. Lawrence had been surveyed. I perceive no other circumstance on which to ground our claim to the old line; and the argument, founded rather on equitable considerations, is far from being conclusive. I need hardly add that the pretension drawn from the geocentric latitude is altogether untenable, and that it is a matter of regret that it ever was advanced.

I did not perceive any trace of the embarrassment to which you allude in your decision respecting the north-westernmost head of the Connecticut River. And although it is true that our abandoning the claim to the old line along the 45th parallel

of north latitude would remove one of the main objections to Hall's Stream being considered as the branch of Connecticut River, designated by the treaty, I still incline to the opinion that, independent of that, it will be safer to insist on Indian Stream. I have, however, on the map agreed on at London, laid down Hall's Stream as the boundary claimed by the United States; and whether this or Indian Stream should in our statement be ultimately insisted on is a question not yet settled between Mr. Preble and myself.

You have certainly taken true ground in your decision of the most important question, that of the boundary of Maine, which depends on the situation and not on the elevation of the highlands. The only portion of the proceedings on the part of the United States which I regret is so much of the surveys as seems to admit that that elevation was one of the considerations on which the decision ought to depend. More from respect to the opinion of others and to the expectations of the State of Maine than from any belief that our argument would be much strengthened by new matter, I had a provision inserted in the new convention allowing both parties to adduce fresh evidence. We are now in possession of that of the British as well as our own. Neither party will be essentially benefited by this addition. We must still resort to the treaty of 1783, and to the intentions of the parties as derived from its expressions and from Mitchell's map, now admitted to have governed the proceedings of the negotiators. It appears to me that it is most clearly established that the line claimed by the United States is the only one that is consistent with those expressions and those intentions; and the whole of our argument must be made to bear on that point. I apprehend no difficulty in repelling the captious objections of the British, and I have in that respect been able to bring some additional evidence and authorities which may not be altogether useless, and of which, not having been laid before you, you could not avail yourself; but they are not really of any great importance.

Whilst in London I took several opportunities, in my correspondence with our government, to do that justice to which you were so fully entitled, not only for the soundness of your decision and of the arguments on which it was founded, but for the im-

partiality which you evinced throughout the whole of the proceedings under the commission. I think it highly honorable to the country that the commissioner appointed on the part of the United States should have sustained the character of a judge, bound on his oath to decide as such, and according to evidence and the general principles of law, and should in no instance have permitted himself to act as a partisan.

It is my intention, if Mr. Preble agrees to it, and with the approbation of government, to annex to our statement the whole of your report, so much only excepted as relates to the incidental question about the surveys, with which we need not trouble our arbitrator. Mr. Barclay's report is swelled to more than three hundred pages; but the greater part consists of quotations from the arguments of the agents; and I have extracted so much as consists of his own arguments and constitutes his decision. Thus reduced, it will not exceed in bulk your own report, and I intend to annex also that extract to our statement. The contrast will be entirely in our favor, and it will also be advantageous to tie the British, as far as practicable, to their old ground, and to preserve some precious admissions of Mr. Barclay.

I have written this letter with so little reserve, that it may also perhaps contain some admissions not intended for the eye of our opponents. I pray, therefore, that, with the exception of what is personal to yourself, you will be pleased to consider it as confidential until the decision of the arbiter shall have been obtained. It is of course understood that on this subject I write nothing which may not be communicated to the President and to the Secretary of State.

I have the honor, &c.

GALLATIN TO W. P. PREBLE.

Private.

New York, 22d March, 1829.

Dear Sir,—I had the honor to receive your letter of the 16th instant. Considering the new evidence, all that is to be done, both as to details and to prepare in the best manner we can

our statement, and also that I can use my pen but moderately, I have concluded that it was best not to run the risk to be pressed by time, and to proceed as soon as I can to Washington, probably quite early in April. I will, of course, be very desirous to see you arrive as soon as you can make it convenient. There are, indeed, other considerations connected with the subject of our labors which make me anxious that you should be even now at Washington. It seems to me that there is an inclination there to make an immediate appointment of a minister to the Netherlands. And I found that Mr. Van Buren, who passed through this city yesterday, was not aware either of the just expectation of your State or of your own claims in that respect. I gave the proper explanations, for which he thanked me. But, generally speaking, "les absens ont tort."

I have the honor, &c.

GALLATIN TO WILLIAM C. BRADLEY.

New York, 22d March, 1829.

Sir,—Your letter of the 31st of October reached me at Washington at the moment when we were most busily engaged in collating maps and surveys, and in selecting and preparing the evidence intended to be laid before the arbitrator, and which we were bound to communicate to the British minister at Washington on or before the 1st of January. An accident also deprived me at that time of the use of my right hand, which I have not yet altogether recovered. I owe you, nevertheless, an apology for not having caused your letter to be sooner acknowledged, and particularly for not having informed you that I found in one of the atlases of the surveys executed under the commission a copy of that of the 45th parallel of north latitude, duly certified by the secretary, and stated, as you had informed me, to have been filed with your argument. Though omitted in the other copies and in that of the British government, we have a right to give it in evidence.

The assistance of Mr. Hales would certainly have been useful; but we are not authorized to employ a secretary.

I embrace with pleasure this opportunity of acknowledging the great benefit I have derived from your able arguments, in which you maintained an evident and constant superiority over the British agent, and amongst which there is but one—that relating to geocentric latitude—which I cannot use. We will have the advantage of condensation, of some additional authorities calculated to repel in a more direct way the captious objections of the British, of the admission of Mitchell's map as evidence of the intentions of the negotiators of the treaty of 1783. But as to the leading and conclusive arguments on the main questions, I do not believe there is any of importance which had not been stated at large or suggested by yourself.

As you very correctly made the question respecting the highlands to rest on their situation, and not on their elevation, I wish that, unless a complete survey of both the conflicting lines had been ordered by the commissioners, no partial one had been attempted or admitted on our part. As the case will now be presented to the arbitrator, I fear that he may not be satisfied, and that, attaching more importance to that point than it deserves, he may order new and more complete surveys, and thereby occasion much more delay than is desirable.

I have the honor, &c.

GALLATIN TO S. D. INGHAM, Secretary of the Treasury.

New York, August 4, 1829.

Dear Sir,—Owing to my family having removed to another house whilst I was at Washington, my papers were so much deranged that I could not, till last week, lay my hands on those respecting the relative value of gold and silver. On inspection I find some information still wanting, which I expect to obtain in a few days, after which I will communicate the facts and submit my conclusions to you. There is no doubt as to the fact of our mint regulations having rated gold too low, nor as to the

propriety of raising it to its market value, unless we intend to exclude gold coins altogether. As the defect of our currency consists in our wretched paper system, the contemplated regulation relating to gold may not be very important; but its effect, though not great, cannot be but beneficial. It will not in any degree affect either property or contracts; theorists may object for a reason which will be hereafter explained; and some of the dealers in exchange and precious metals may prefer the present state of things, which is unintelligible to the many and, on that account, favorable to a few. But the true difficulty consists in ascertaining the average relative value of the two metals within such narrow limits as that, selecting any convenient ratio between them, no practical inconvenience can arise. At present I can only say that the true ratio is between 15.54 and 15.69 to 1. Those limits, which correspond to about 260.60 and 258.13 grains standard gold (instead of 270) in the eagle, are too far apart (near 1 per cent.); and I am in hopes to come to a nearer result. But I am in search of truth, and I will not assert as certain what, after a thorough investigation, may to me still appear doubtful.

The lists of the rates of our exchanges and price of gold will be useful, but require corrections, and are subject to several objections and exceptions. The price of doubloons is artificial and must be excluded, as it would lead to much too high a valuation of gold. The rates of exchange with England prior to the resumption of specie payments there (about 1819–20) must be thrown out. For the subsequent years the first operation is to calculate, from the quotations, the average nominal premium for each month; and the next, to obtain the true amount paid in dollars per pound sterling for each month. Thus, as the premium is quoted (at least in New York) on the supposition that the pound sterling is worth only $\$4.44\frac{4}{9}$, if the premium is quoted at 10 per cent. it means that bills at sixty days sell at the rate of $\$4.88\frac{8}{9}$ per pound sterling. The premium on British current gold coin is calculated on the same principle; that is to say, that a sovereign, or twenty-shilling gold coin, though worth, even at our low valuation of gold, \$4.56.6, is rated as if worth at par only $\$4.44\frac{4}{9}$. And as the quotations of the price of American gold are founded on its

mint value, this makes an apparent difference of 3 per cent. between the premiums on both kinds. All those discrepancies must be corrected, and a new table prepared from the quotations, in which every exchange and price shall be brought to one common standard, before any comparison can be made or true inference be drawn. As I had prepared such one from the New York quotations for three years, and the details are familiar to me, I think I can, when at Washington in October, assist in pointing out how a complete one may be made from the materials you will have collected. But this, after all, can only assist, the price of gold here, as it is now only an article of merchandise, being entirely governed by its price abroad, combined with the current rate of exchange and the charges of transportation. On this last point, which it is essential to ascertain with precision, as well as the result of actual sales abroad, I have also collected and hope to obtain more information.

I have written so much by anticipation that you may be satisfied that I have not forgotten my promise, and that the delay must be ascribed to the desire of obtaining the greatest degree of correctness within my reach.

I have the honor, &c.

GALLATIN TO S. D. INGHAM.

New York, 27th September, 1829.

Dear Sir,—Expecting to be in Washington in the course of next month, and wanting still some materials, I had postponed putting them in proper order and digesting them till I should be there. I am at this moment so exclusively and deeply engaged in preparing our reply to the British statement (on the North-East boundary), which reached me near one month later than expected, that I could not for the present, without much inconvenience, relinquish that object for another. I have always found that intense and undivided thinking on the same subject was necessary for a complete analysis; and the importance and complexness of the question at issue with Great Britain must for

some time require my whole attention. I will have gone through all but the mechanical part of the work when I reach Washington, and will be at leisure to attend to the other subject. The result of my researches on this I am also desirous to give to you as complete and in as proper shape as I am able; and this will require but two or three days, which I really cannot spare now. All the materials which I could expect are obtained, save only a sufficient number of *actual sales* of American gold in London and Paris, the difficulty of obtaining which is owing to the small amount actually exported.

The relative value which I have ascertained is that of France, the great European mart of precious metals, and where alone can be found a sure and easy way to ascertain that value, by the rate of the premium on the gold coins of the country. The English prices are of much less certainty, the transactions in metals being far less extensive, and, on account of the exclusion of silver coin for any purpose but to have change, the relative value they give being that of bullion to coins, and not of coins to coins. Yet I have not neglected them, and they do not differ materially from those of France. Indeed, the Paris prices may with great safety be taken as the average prices of Europe, though the fluctuations in London, Amsterdam, and Hamburg may not and do not, in point of time, agree with them. What we want is the general average and the limits of ordinary fluctuations; and both will be found in those of France.

My tables of the price of American gold coin in silver American dollars are only for New York, and from 1st January, 1825, to 30th June, 1829, during which period the price was never less than 2 per cent. premium. About $3\frac{3}{4}$ per cent. premium (our eagle being taken at 10 silver dollars) is about par according to the average relative value of gold to silver in Europe. The effect of raising our gold coins to the same value will be to prevent their exportation when the premium is not above that rate, $3\frac{3}{4}$ as now quoted, but in reality par at the lowest estimate that can be made of the relative value of gold. In Mexico, Havana, and South America it is indubitably higher. With us the quantity of precious metals is, on account of our paper system, so extremely small, and the transactions in exchange so enormous,

that the exportation of gold and silver cannot and never does (as in France and other European countries, that have less commerce and a much greater quantity of metallic currency than we have) prevent the rise of exchange. It is, on the contrary, the rate of exchange which always, though not with mathematical uniformity, governs the market price of our gold in our own country, as is obvious from a view of the comparative tables of our rates of exchange and prices of gold. A regulation, therefore, raising our gold coins to their true value cannot prevent their exportation when the exchange will rise 1 per cent. above that, or, in other words, when the exchange on London will rise to more than 1 per cent. above true par; that is to say, to more than 1 per cent. above what is called $6\frac{1}{2}$ per cent. premium, calculating the dollar at 4 shillings 6 pence sterling.

What has been the origin of that erroneous valuation I never could ascertain. Since the year 1772 the legal weight of Spanish dollars has been (from the most correct comparison of weights existing) hardly above 417 troy grains, and the legal standard, which is still impressed on the new Mexican dollars (10 D. 20 G.), $\frac{6}{7}\frac{5}{2}$ parts fine and $\frac{7}{7\,2}$ alloy. The only older and better dollars, of which any are yet found in circulation, are those (prior to 1772) with two shields and without effigies. They are of the same weight, but of a better standard, being taken by the French mint at the rate of 906, and probably being actually of the standard of $\frac{9\,0\,0}{1\,0\,0\,0}$ fine. The variations of coinage, with respect to all, have consisted in making them of less and not of higher value. The highest legal rate above stated falls far short of 4 shillings 6 pence sterling. But there may have been still more ancient and more valuable dollars, no longer to be seen, of which I have no knowledge, and on which the original valuation of 4 shillings 6 pence was perhaps founded. It is only in some ancient works on the subject that the information can be had. I have seen quoted a publication of Sir Isaac Newton, being a statement of his assays of foreign coins whilst at the head of the mint of England; but it is not printed in any of the collections of his works, and I have never met with it.

I have the honor, &c.

GALLATIN TO S. D. INGHAM.

WASHINGTON, December 31, 1829.

SIR,—The information which it is in my power to give you respecting the relative value of gold and silver, applies principally to France. It, however, happens that it is that which affords the best and most easy means to ascertain the fact, as it is by far the most wealthy country in which both gold and silver *coins* circulate simultaneously.

There has been no scientific comparison of the new French and British weights. The most correct is that made in the year 1824, by Dr. Kelly, the result of which is 15,434.1 grains troy weight for the kilogramme. But, as it cannot be relied on within 3 or 4 grains, I have assumed 15,435 grains, which makes the par of exchange between the United States and France 5 francs 34½ centimes for our dollar.

The standard for both the gold and silver coins is $\frac{9}{10}$ fine and $\frac{1}{10}$ alloy, and the legal relative value of the two species of coin is, since about the year 1790, 15.5 to 1; the kilogramme of standard gold being coined into gold coins of the nominal value of 3100 francs, and the kilogramme of standard silver into silver coins of the nominal value of 200 francs.

It is believed that, notwithstanding the great attention which was at that time paid to the subject, gold was even then rated too low in proportion to silver; it is certain that the fact is so now. During the thirteen last years there has never been a premium on silver coins, and there has almost always been one on gold coins. This has never during that period reached 1 per cent., which may be considered as the greatest fluctuation in the relative value of gold and silver coins in France. But it is very rarely and only for very short periods that this premium on gold coins has ever fallen below $\frac{1}{5}$ or exceeded $\frac{4}{5}$ per cent.; and the average is about $\frac{1}{2}$, rather below than above it. If, therefore, the legal relative value was enhanced $\frac{1}{2}$ per cent., or be about 1 : 15.58, instead of 1 : 15.5, the ordinary fluctuations would not exceed $\frac{3}{10}$ per cent. above or below that legal value.

The relative value of gold and silver bullion differs from that of gold and silver coins, and is liable to greater fluctuations. Independent of these, there are two reasons which make gold bullion more valuable in relation to silver bullion than gold in relation to silver coins. It is more expensive to coin ten silver dollars than one gold eagle, which, if the charge for coining is the same for both, makes in proportion the silver coin more valuable. And the unavoidable difference between the legal and the actual standard of the most faithful coins, as well as the similar original difference of weight and the diminution arising from wear, are more sensible and greater in value in gold than in silver coins, so that the loss in melting the current gold coins of any country may be fairly estimated at $\frac{1}{2}$ per cent.

Of this the French government was aware; and accordingly the mint, which coins all the bullion and foreign coins that are brought to it, paying for it as it is brought, deducts a much greater *seigneurage* on silver than on gold; that is to say, 3 francs (or $1\frac{1}{2}$ per cent.) on each kilogramme of standard silver, and 9 francs (or less than $\frac{3}{10}$ per cent.) on each kilogramme of standard gold. In other words, the mint price of standard gold and silver per kilogramme, in France, is 3091 francs for the first and 197 francs for the last. The relative value of gold to silver bullion is, therefore, fixed at the rate of 3091 : 197, nearly equal to 15.69 : 1. Each metal is brought to the mint in greater or less quantities respectively, according to the fluctuations in their relative market value. But what proves that this ratio does not essentially differ from the true average market relative value is, that the mint has been abundantly supplied with both for the last twenty-five years, the coinage of France being far greater than that of any other country. I hardly need observe that it is due to the almost total expulsion of paper as currency. The Bank of France alone issues paper, and none of a denomination less than 500 francs; so that it is used almost exclusively for commercial remittances and transactions, and makes no part of the currency, properly so called, of the country. Paper, as all know, necessarily drives away the precious metals, which will naturally flow to the places where paper is not used. They are a dearer but the only safe circulating medium;

and no country that will resort to other means can expect to have a sound and uniform currency. There is, indeed, no permanent standard of value in nature; but, as applied to periods of twenty or thirty years, within which time all ordinary contracts are executed, gold and silver are, for that purpose, far preferable to any other commodity; and paper, having no intrinsic value, must, however used as currency, be always estimated in reference to those precious metals.

Although it cannot be expected that an alteration in the erroneous relative legal value of the gold and silver coins of the United States will, whilst paper chiefly of a local circulation continues to be their general currency, be productive of any great advantage, still, the change will do some good, and can be attended with no injury. The present rate was the result of information, clearly incorrect, respecting the then relative value of gold and silver in Europe, which was represented as being at the rate of less than 15 : 1, when it was in fact from 15.5 to 15.6 : 1. It would be better, at all events, to discontinue altogether the coining of gold than to continue the present system.

Although the ratio of about 1 : 15.58, as from coin to coin, which is deduced from the average premium on gold coins in France, is most to be relied upon, yet there may be an advantage and no danger in fixing the value of gold at a somewhat higher rate. For it appears certain that the average ratio is higher both in England and in the United States.

I have not sufficient data to estimate that ratio in the first country; but I am inclined to the opinion that for the last two years the price of American (United States) silver has not exceeded there the average of $57\frac{1}{2}$ pence sterling per ounce, which gives the ratio of 15.82 : 1. But it must be observed that this is not merely the ratio of bullion to bullion (which in France is 15.69 : 1), but of silver bullion to gold coin. This ratio is in France, according to the mint price and current value of gold coins (that is to say, with $\frac{1}{2}$ per cent. premium), as 3115.5 : 197, or about 15.81 : 1.

With respect to the United States, the average premium on the American gold coins for the last four and one-half years has been about $5\frac{1}{6}$ on the nominal value. This, being according to

our ratio of 15 : 1, gives for the average market price the apparent ratio of 15.775 : 1 for that of gold bullion to silver coin; since, being so underrated, the American gold coins can be considered only as bullion. But as they are probably ½ per cent. defective in weight and standard together, the true ratio may rather be estimated at 15.82 : 1, or about the same as that deduced, from the price in England of 57½ pence per ounce of dollars, for the ratio of silver bullion to gold coin. But less reliance can be placed on the ratio deduced from the price of American gold in the United States than from either of the other two modes. A single glance at the table of prices current will show that that price is entirely regulated by that of the exchange with London. It will be found, accordingly, that in the summer of 1825, when the nominal exchange on London was 5 per cent. premium, or in reality near 2 per cent. below par, the nominal price of American gold was 2½ per cent. premium, or in reality 1½ per cent. below its average market value in Europe or in the United States. This anomaly was clearly due to the legal value being underrated. Generally speaking, the difference between the true rate of exchange on London and the true market price of American gold in the United States is about 1½ per cent., as will be seen by the table B, where the true premium on both is calculated according to the ratio of 15.6 to 1.[1] This general result, deduced from the New York prices current for the last four and one-half years, agrees with the general result of actual sales of our gold in London. The freight, insurance, and all charges are near 1½ per cent., and the average loss in weight and standard about ½ per cent. But from this loss of 2 per cent. must be deducted, when compared with exchange at sixty days, near ¾ per cent. gained in interest, the sales of gold being realized within fifteen days after arrival. It follows that if gold coins are raised by law to their true value they will not be exported so long as the exchange on London is not above 1½ per cent. above the true par, or about 8½ per cent. nominal, as now calculated. Whenever the exchange is above that rate there is

[1] For the tables, see Report of the Secretary of the Treasury dated May 4, 1830.

no means to prevent the exportation; and, as the general tendency of our exchanges with Europe is against us, this affords a reason why, in fixing the relative value of the two metals, gold may be a little overrated beyond the ratio deduced from the average premium on French gold coins in France. But this should be done cautiously, as there is always danger in going beyond what the well-ascertained facts will warrant.

No notice has been taken, in what precedes, of the market price of Spanish dollars and doubloons. The first vary in standard, and it is much more simple to draw conclusions from the price of our silver coin abroad than from the fluctuations in the price of Spanish dollars in the United States. The marc of Castile, of standard Spanish silver, should, according to law, be coined into $8\frac{1}{2}$ dollars, making the legal weight of the dollar $416\frac{1}{2}$ to 417 grains troy weight. The legal standard, at least since the year 1772, is $\frac{6}{7}\frac{5}{2}$ pure and $\frac{7}{7}\frac{}{2}$ alloy, and the Spanish dollar faithfully coined should therefore contain about 376 grains pure silver. The calculation is founded on what has been stated as an accurate comparison of the Spanish with the modern French weights, by which it appears that the marc of Castile is equal to 229.8 grammes. In fact, the Mexican dollars, which (with the Bolivar) are the best, contain but about $374\frac{1}{2}$ grains, and are worth from $\frac{3}{4}$ to 1 per cent. above ours. The Spanish proper vary, and the most modern are sometimes $\frac{1}{2}$ per cent. less. The price of the Mexican is in London $\frac{3}{8}$ of a penny sterling more per ounce than ours, and in France 7 centimes per dollar.

It may be proper, as connected with the exportation of our silver coin, to state that the price of American dollars in France, deduced from twenty different shipments, is 5.26065 francs per dollar. Deducting $1\frac{1}{2}$ per cent., according to the mint price, from the par value of the dollar, or 5.345, would give 5.26482 francs. The small difference arises partly from that in weight, principally from a small charge at the mint for refining on bullion below the French standard. The freight, insurance, commissions, &c., amount, as on gold, to about $1\frac{1}{2}$ per cent., and the total loss to 3.28 per cent. If from this $\frac{3}{4}$ per cent. is deducted for the gain in interest, the difference is $2\frac{1}{2}$ per cent. Whenever, therefore, the premium on exchange exceeds $2\frac{1}{2}$ per

cent. true premium (equal to 9½ nominal on London), the American silver coins will be exported.

Means have been found very lately in France to extract with profit the very small quantity of gold which is always found in silver. The effect has been within a few months to raise common silver bullion ⅛ per cent. above the mint price. Dollars and other bullion are purchased at that rate by the melters, who, after having extracted the gold, sell the bullion to the mint at its ordinary price. This circumstance will not ultimately affect the relative value, as the process will be gradually applied to all the silver bullion before it is coined; but it is in the mean while a reason against overrating gold.

The doubloon ought to be of the same weight and standard as the dollar. But it has been more adulterated, and, taking the ratio of 15.6 : 1, is not believed to be, on an average, intrinsically worth more than 15.16 dollars. The premium, calculated on that basis, varies in the United States from 2½ : 8, and averages 4½ per cent. This affords no criterion whatever of the relative value of the two metals, as it is exclusively due to the varying demand for the Havana and South American market, where, by internal regulations, the doubloon is rated never less than 16 and generally at 17 dollars. This arbitrary order drives of course silver from the market, and, without raising actually gold to that rate, has nevertheless a considerable effect on the price of that particular coin. The average premium on Patriot doubloons, which are as good, is but about 2 per cent.

Reverting to the valuations founded on correct data, it has been shown that:

1. The relative value of gold to silver coins, deduced from the average premium of ½ per cent. on gold coins, is *below* 15.6 : 1.

2. The relative value of gold to silver bullion, deduced from the mint price in France, is *below* 15.7 : 1.

3. The relative value of gold coins to silver bullion, deduced from the mint price in France, combined with the average premium of ½ per cent. on gold coins, and also from the presumed average of 57½ pence per ounce of American dollars in England, is *above* 15.8 : 1.

4. The premium in the United States on American gold,

though much less to be relied on, since it is regulated by the exchange, corroborates the last-mentioned ratio.

It is clear that it is the relative value of coins to coins which is the proper foundation. That of bullion to bullion and that of gold coins to silver bullion are in fact the same, allowing for the superior value of coins over bullion; and although, for the object in view, less correct than that of coin to coin, shows nearly how far the gold coins may be rated without danger above the last-mentioned ratio. The conclusion is that the ratio should not be below 15.58 and not above 15.69 : 1; and that we will be safe between those limits.

The ratio is only a basis on which to proceed, and it is quite immaterial whether it gives an apparently inconvenient fraction, since, once adopted, it is never recurred to either at the mint or for any calculation of exchange, rate of duties, &c. In selecting, therefore, a ratio between the limits aforesaid, the first object is to take one which will correspond with a convenient number of grains standard and pure contained in the ten-dollar gold piece. The next, if practicable, is that this should also give a convenient number for the reduction of pounds sterling into dollars and cents, which must be perpetually recurred to in the calculations of duties and exchange.

The most convenient ratio, in both respects, is that of 2700 : 173, equal to about 15.6069 : 1, and answers nearly to a premium of $\frac{2}{3}$ per cent. on French gold coins; which is above the average. This ratio will give $259\frac{1}{2}$ grains for the weight of the ten-dollar gold piece, $237\frac{7}{8}$ grains pure gold in it, $4.7505 for the value of the pound sterling, and make the present eagle worth 10.40\frac{1}{2}$. The table C shows the result of several other ratios. I think that that which gives 258 grains for the weight of the ten-dollar gold coin rates gold too high. The calculations in relation to the pound sterling are of course all founded on the fact that the 20-shilling sterling gold piece contains $113\frac{1}{623}$ grains of pure gold and the American dollar $371\frac{1}{4}$ grains of pure silver.

As there is not in nature any permanent standard of value, it has been objected to the simultaneous circulation of the two metals as a legal tender that, in addition to the fluctuations in

the price of either gold or silver if only one of the two was made the sole circulating medium, the fluctuations in their relative value increased the uncertainty of the standard.

Great Britain has, since the year 1819, acted on the plan of adopting gold as the sole legal tender for all payments above 40 shillings sterling. But in order to have money for small payments she resorts to an adulterated silver currency, which is by law rated at about nine per cent. above its intrinsic value. The object appears to be to prevent the exportation of that silver currency which is, in fact, assimilated to the copper coinage. It has been a part of the same system to prohibit the issuing of bank-notes of £2 and under, the place of which is supplied by the overrated silver new currency.

Great Britain till the year 1797, when the suspension of cash payments took place, and all other nations to this day, have used the two metals simultaneously, without any practical injury, and to the great advantage of the community, though in many instances sufficient care had not been taken to assimilate the legal to the average market value of the two metals. A fact so notorious, so universal, and so constant is sufficient to prove that the objection, though the abstract reasoning on which it is founded is correct, can have no weight in practice. It might not therefore be necessary to discover in what respect the principle is misapplied; but the reasons appear sufficiently obvious.

The whole amount of the inconvenience arising from the simultaneous use of the two metals consists in this. Their relative value being fixed by law, if this changes at market, the debtor will pay with the cheapest of the two metals, and therefore at a rate less than the standard agreed on at the time of making the contract, if the change in the market price is due to a fall in that of the metal with which he pays his debt. And it is obvious, in the first place, that if the change is due to the rise in value of one of the two metals, and that had been the only legal tender, the choice given to the debtor to pay with either enables him to do it according to the standard first agreed on.

But the true answer is, that the fluctuations in the relative value of the gold and silver coins, arising from the demand exceeding or falling short of the supply of either, are less in

amount than the fluctuations, either in the value of the precious metals as compared with that of all other commodities, or in the relative value of bullion to coin, and even than the differences between coins, particularly gold coins, issued from the same mint; and therefore that those fluctuations in the relative value of the two species of coin are a quantity which may be neglected and is in fact never taken into consideration at the time of making the contract.

It has been shown that the fluctuations in that relative value may, by affixing a correct legal value to each metal, be reduced to $\frac{3}{10}$ or, at most, $\frac{1}{2}$ per cent. The relative value of gold bullion to gold coin has within the last five years varied $1\frac{2}{5}$ per cent. in England, the price of standard bullion having been in 1824 as low as 76 shillings 9 pence; and the average value of the bullion was for four years (1822–1825) 77 shillings $7\frac{1}{3}$ pence, or $\frac{1}{3}$ per cent. less than that of the coin. It has already been stated that the remedy and wear together make a difference of $\frac{1}{2}$ per cent. between old and fresh American gold coins; but the differences are sometimes much greater, since even the guinea, of the legal weight of $129\frac{4}{9}$ grains, could pass when weighing only 128 grains, or $1\frac{1}{10}$ per cent. less than the legal weight. And the simultaneous rise and fall of the two metals in relation to all other commodities, though not susceptible of being precisely valued, does often take place to a greater amount than any of the other fluctuations. It is evident that whenever such rise takes place, whether generally or only on the spot, it is an advantage to be able to resort to both instead of one of the metals; and that if the rise is only on one of the metals for which there happens to be a greater demand, and that should be the sole legal tender, it will be exported, and diminish in a most inconvenient way the whole amount of specie, a diminution which in that case cannot be remedied by resorting to the other metal which is not a legal tender. That inconvenience is still greater when gold is the metal selected for currency, to the exclusion of silver, the annual supply of this last metal being much larger in value than that of gold. That annual supply was estimated with considerable correctness by Humboldt at 36 millions of dollars in silver and 12 millions in gold, prior to the year 1809. Since that time,

on account of the revolutions and internal disturbances in what was formerly Spanish America, the annual supply may be estimated at 18 millions in silver and 9 millions in gold. As order is restored, the usual supplies will again take place. In the mean while, the annual exportation of silver to India and China from Europe and America has been lessened from 12 to about 6 millions of dollars, and this has prevented sensible alteration in the relative value of the two metals. What proves the great amount of both previously existing is, that the diminution in the general supply has not even affected sensibly the value of the precious metals in relation to other commodities.

But not only has England by that experiment, in the face of the universal experience of mankind, gratuitously subjected herself to actual inconvenience for the sake of adhering to an abstract principle, but, in so doing, she has departed much more widely from her own principles and from those which regulate a sound metallic currency. Whilst pretending to exclude silver, she admits it, and makes it a legal tender for all that multitude of daily purchases and contracts under 40 shillings, at an overrated value. This is, in fact, an issue of an adulterated money, which does not regulate itself; which, on account of the profit in the coinage, there is a strong temptation to issue beyond what is actually wanted for the object intended; which, being irredeemable, is therefore liable to fluctuation between its nominal and intrinsic value; and which, by its connection with the 20-shilling and 40-shilling gold coins, deranges, or may derange, the whole system of British currency.

Even if the precedent was good, it could not be conveniently adopted in the United States. If silver was adopted instead of gold as the legal tender, which is, in fact, our present system, gold will be excluded altogether, and the partial advantage gained by the English issue of silver must be given up. To the exclusion of silver there are, on the other hand, great objections. The American dollar, or 371¼ grains of pure silver, is the unit of money and standard of value on which all public and private contracts are founded; the supplies of silver are greater, and it requires a greater premium on the exchanges before it can be exported; payments in silver, suppressing small

notes, is as yet the only practical remedy against over-issues of the worst species of paper currency.

There is another and very distinct reason in favor of affixing to our gold coins a value corresponding with their market price. By their conventions with France and several other countries the United States are bound (the condition being reciprocal) not to lay higher duties on their produce and merchandise than on those of same nature and value imported from other countries. In estimating that value, foreign currencies have generally been rated by law at their true value; whilst the pound sterling of England has been rated at $4.444, or 7 per cent. below what it is actually worth. It ought, at all events, to have been rated at least at $4.5657, so as to correspond with the legal value of our own coins. But it cannot with propriety be rated higher than that value; and it is necessary to raise this to its true relative value as compared with silver, in the manner proposed, in order that Great Britain may have no reason to complain that the pound sterling should be estimated at its worth, which is at least $4.75. And, on the other hand, if this is not done, France and other countries will, as they now have, a just right to complain that they pay duties 2 per cent. at least higher than what is imposed on goods of the same description imported from Great Britain. It is only to be regretted that this will produce an increase of revenue of several hundred thousand dollars; but this is an unavoidable evil, unless there should be a general though small reduction of duties to an equal amount.

I have the honor, &c.

GALLATIN TO ROBERT WALSH, Jr.

New York, 27th April, 1830.

Dear Sir,—It is doubtful whether I will have time to prepare in season such an article in relation to currency as you desire, and still more so whether I can write anything on that subject worthy of the public and corresponding with your views. So much has been written on that question, that it does not seem

to me that anything new can be advanced in support of what are admitted by almost all enlightened and disinterested men to be correct principles. The only points at all dubious, at least in my opinion, are those of *local currencies*, or what is commonly called "country notes," and of the simultaneous circulation of gold and silver. Was it practicable, the following outline would appear to me preferable to any other, as combining safety, convenience, and facilities sufficient to promote industry and prudent enterprise.

1. No other but the Bank of the United States, nor any individuals, associations, or corporations, to be permitted to issue any bank-note, bills of credit, or paper in the nature of currency; but all such banks or bankers to be left, without restriction or special tax, at liberty to pursue in other respects their proper occupation, viz., to receive deposits, to discount notes, and to deal in bills of exchange or bullion; thereby assimilating them to the bankers of London and to all those of the Continent of Europe, neither of whom issues a single shilling of paper currency.

2. The Bank of the United States to issue no notes of a denomination under 100 dollars (a restriction the same as that of the Bank of France), those of a lower denomination excepted, which may be made redeemable at any of its offices where presented.

3. Gold and silver United States coins to circulate either on the new British plan of issuing silver at 10 or 15 per cent. above its intrinsic value, but not to be a legal tender for sums above ten dollars, or simultaneously for all purposes, but rating gold at its true value, which may be done so near the ratio of gold to silver (about 15.6 to 1) as to obviate every practical objection.

4. All foreign coins to be excluded; copper coins to remain as now, but not to be a legal tender for more than 50 cents.

You may perceive that I am an ultra-bullionist, which it is right you should know. But I am perfectly sensible that Congress will not attempt to prohibit the issue of notes by State banks; that we have no other security against their over-issues but State laws, which some States will not enact, and the Bank of the United States; that our reliance for a sound currency and, therefore, for a just performance of contracts rests on that

institution; and that, in order to enable it to check and counteract the evil tendency of the local currencies, it must be permitted to issue notes of a smaller denomination than would otherwise be eligible. The principal object at this time is to preserve what we have, rather than to aim at what cannot be obtained. But I know too well, from sad experience, how difficult it is, without the aid of party, to carry any measure, however useful, which is opposed from sectional or interested views. And yet, though aware of the unavailing effect of argument under such circumstances, I would be disposed to contribute my mite if I thought I could add anything to what has been done by others. It is also so long since my mind was made up on the subject, that I have not lately collected any facts. The evidence reported by the committees of both Houses of Parliament previous to the resuming of specie payments in Great Britain is the last document of any importance which I read with attention. A correct statement of the amount and nature of our currency is an indispensable preliminary to any essay on the subject. The ordinary returns of the Bank of the United States and of the several State banks, of the latest dates that can be obtained, not in the aggregate for each State, but showing the situation of each bank, would be sufficient, as I am familiar with those returns. The cashiers of the several offices of the Bank of the United States might with ease procure most of them. If you can obtain these for me, I will try to write, with the understanding that, if prevented or not satisfied myself, I will put my notes in your hands to be used as you may think proper.

I have, &c.

GALLATIN TO G. C. VERPLANCK, M.C.

New York, 22d May, 1830.

Dear Sir,—I have been much gratified by the report of the Committee of Ways and Means on the Bank of the United States, which I think to be the ablest paper that has issued from any committee of either House. The constitutional question is treated with great ability, and placed on the most solid ground that could

have been selected. I would, indeed, be inclined to go farther than the committee, and to insist that the term "bills of credit," in the Constitution, embraces every species of paper currency, and therefore precludes the issuing of bank-notes under State authority. That a purely metallic currency would be preferable to one hundred independent local paper currencies is indisputable; and, considering the perpetual tendency manifested everywhere, by every government or public institution, to abuse the power of issuing paper, it is at least doubtful whether it would not be safer to abstain altogether from using that dangerous instrument as currency. Admitting this to be impracticable, I cannot, though aware of the objections to a powerful moneyed institution, perceive any better check against over-issues, or any other security for preserving a proper standard of value, than the Bank of the United States, or at least one founded on the same principles.

There are, however, some positions in the report to which, as now informed, I cannot yield an unqualified assent. I was at the time of opinion that specie payments might have been restored in 1815, without the establishment of the bank, although that institution gave the best practicable security against a recurrence of the evil. I also think that the depreciation of a paper currency does not exclusively depend on, or always correspond with, its excess, and that this depreciation does not occasion that of a simultaneously circulating metallic currency; and, although I am an ultra-bullionist, it seems to me that the loss arising from the suspension of specie payments, which was incurred by government during the war, is overrated in the report. But on those and on some other points connected with the general question of currency to which I have paid great attention, I only wish to be enlightened; and the principal object of this letter is to request you to have the goodness to supply me, if in your power, with such further documents as may throw light on the subject. I can at present only point out the following, to which you may add such other as you may think useful and are within your reach:

1. The report itself, with the annexed tables.
2. Mr. Crawford's report of 1820, therein alluded to.

3. The report of the committee of the Senate of this session on the Bank of the United States.

4. The reports (dates not recollected, 1813 to 1817) showing the amount respectively subscribed in the several States, &c., to the loans obtained during the war.

5. The report or reports showing the amount of Treasury notes issued during the war, their redemption by funding or payment, with the dates of such issues and redemption.

6. The late report of the Secretary of the Treasury to the Senate respecting the relative value of gold and silver.

I think that the immediate causes which produced the suspension of specie payments are not sufficiently investigated in the report. Excessive issues of bank-notes, and, perhaps, withdrawing of specie, will be the answer. But what was the cause of those excessive issues *prior* to the suspension of specie payments, which had not operated for the three years immediately following the dissolution of the first Bank of the United States? This is an important question, as connected with the degree of security afforded by the present bank against another suspension in time of war, and with the extent to which it may at such time afford or promote the loans wanted by government. A knowledge of the precise situation of the principal banks in June, 1812, and when they stopped paying in specie, would materially assist in discovering the immediate causes of that event.

GALLATIN TO ROBERT WALSH, JR.

NEW YORK, 2d August, 1830.

DEAR SIR,—Yours of yesterday is received. Mr. Biddle has sent a number of most valuable documents and interesting explanations. But I am insatiable so far as relates to facts; and there are some still wanted, without which I would not venture to discuss the causes of the former suspension of specie payments, the extent of its effect on the issues of the State banks, and the efficiency of the United States Bank to prevent the recurrence of the evil. I can lay no claim to either originality of thinking or

felicity of expression. If I have met with any success either in public bodies, as an executive officer, or in foreign negotiations, it has been exclusively through a patient and most thorough investigation of all the attainable facts, and a cautious application of these to the questions under discussion. On the present occasion this course appears indispensable in order to produce some effect on public opinion. I am sensible that, in several respects, all the facts are not attainable, and that we must be satisfied with an approximation. But I think that some important and which are necessary for that purpose are within our reach, and I will write at large to Mr. Biddle. But this will not in reality be productive of any delay. Long habit has given me great facility in collating, digesting, and extracting complex documents; but I am not hasty in drawing inferences; the arrangement of the facts and arguments is always to me a work of considerable labor, and, though aiming at nothing more than perspicuity and brevity, I am a very slow writer. Had all the facts been in my possession, I could not have undertaken to complete the review for your September number. Under existing circumstances it is altogether impracticable. I do not perceive that this delay can be attended with any inconvenience in reference to the object in view. The subject of the renewal of the charter will not be seriously discussed during the ensuing short session. It is very fortunate that the first blow was given in so masterly a manner and came from the quarter it did. For, next to that opposition founded on local and interested views, of which there is no hope, the banner of "State rights," which has been raised against that of the "American system," was the most formidable obstacle in our way. We must follow that blow, particularly as relates to the constitutional question. There is little hope of making converts, except amongst those disinterested men who from deep-rooted opinions and certain associations have had heretofore conscientious objections. I heard many in 1810 deeply regretting that they could not vote for the renewal of the charter of the former bank. With those men the *utility* of the United States Bank in all the fiscal operations of government is not a sufficient argument; it is the same which was urged and had been warmly opposed by Jefferson, Madison, &c., in 1791. You must prove

to them the *necessity* of that institution for carrying into effect some provision of the Constitution. It is what has been successfully attempted by Mr. McDuffie; it is what we must illustrate and prove in the clearest possible manner. It is universally known that we had in 1815 no currency but a depreciated paper, which had not even the redeeming quality of uniform value, that the bank was recommended and its charter granted for the avowed purpose of restoring specie payments, and that they were actually restored principally if not altogether through the instrumentality of the bank. We can only enforce the argument derived from the clauses in the Constitution which relate to paper, legal tender, &c., and illustrate the general facts, by showing that the conversion of specie bank-notes into paper money proper, contrary to the clear intention of the Constitution, was principally if not entirely due to the uncontrolled issues of notes by State banks as soon as the salutary restraint of the Bank of the United States had been removed; and that the new corresponding institution not only removed the evil, but offers the best practicable remedy against its recurrence. Hence my great anxiety to obtain that information respecting the situation of the State banks in 1811, 1814, and 1816 as may enable us to demonstrate that the facts were precisely as just now stated, and thereby not merely the utility but the necessity of the bank.

I am, &c.

GALLATIN TO N. BIDDLE.

Confidential.

New York, 14th August, 1830.

Dear Sir,—Your answers to my several inquiries have in most instances corroborated my previous opinions, and on several points thrown new light and indeed opened new views of the subject. There is but one of any importance on which I apprehend that we do not altogether agree. I think that you are too sanguine in your expectation of the ability of the Bank of the United States to sustain, under the pressure of any very difficult crisis, specie payments throughout the United States. You have managed the affairs of that institution with so much

ability and success that the error, if it is one, is very natural. My own opinion is that, in the use of any paper currency, what we gain in the cheapness of the instrument we lose in security, and that, in order to combine the undeniable utility of paper with real security under adverse as well as favorable circumstances, there is no other remedy than a permanent increase of the *circulating* metallic currency and a corresponding diminution of the paper. And for that purpose the most simple and efficient mode is the suppression of notes of inferior denomination. To this the government of Great Britain has gradually been led by experience, and it has persevered against a most powerful opposition on the part of the country banks and all their ramifications. The result is that, on a circulation of about 58 millions sterling, they have about 28 millions in bank-notes, 22 in gold, and 8 in silver. They must necessarily give up their indefensible silver currency and substitute one corresponding with its intrinsic value, and time may suggest further improvements. With us, it seems from a first rough estimate that our currency is less than 90 millions of dollars, of which about 60 in bank-notes, 20 in silver in the vaults of the banks (but this portion is not in fact a part of the circulation, which, if the estimate is correct, amounts actually to only 70 millions), and less than 10 in silver circulating amongst the community. You very justly observe that, if the Bank of the United States was to withdraw its 5-dollar notes, the deficiency would be filled, not by gold, but by the notes of other banks,—an objection which Congress may not have the will, but has the undeniable constitutional power, to obviate by the imposition of a stamp duty. But permit me to remark that, however analogous in other respects, there is in this point of view a most essential difference between United States $5 and British £5 notes, since the admission of the first excludes, whilst the suppression of all those under £5 brings in the circulation gold coins or an equal value in silver, according to the mint regulations and circumstances of the country. You will at once perceive why I have been anxious that gold, by being rated at our mint at nearly its real value, *might* become part of the circulating medium; and that, whilst allowing even in prosperous times the necessity of

the Bank of the United States to maintain a sound currency, I would wish, if practicable, such further restrictions on the issue of paper generally as would enable that institution at all times *and under any direction* to perform that office, and to afford complete security against the recurrence of a baneful and demoralizing inconvertible paper currency. The most skilfully administered bank can only be prepared to meet ordinary commercial fluctuations. But when a real and severe crisis occurs, you are perfectly aware that moral causes may increase the pressure to an extent which will baffle every calculation, for the very reason that those causes are beyond the reach of calculation. On the other hand, the example of France, under the united pressure of a double invasion, a failure of crops, large indemnities to foreign countries,—a vast portion of which was paid by the exportation of specie,—an unsettled government, and wild stock speculations, is decisive to prove with what facility a crisis is met with an abundant circulating metallic currency. We were, Mr. Baring and myself, spectators of the crisis, of which I could only see the external appearances and results, whilst he was behind the scenes and deeply interested in the event. We conferred often on the subject, and came to the same conclusions. He has ever since been an advocate in England of the simultaneous use of the two metals for the sole purpose of enlarging the basis of the metallic currency; and I beg leave to refer to his evidence before the House of Lords in March, 1819, particularly in reference to the *fact* that the Bank of France, in a situation nearly as critical as that of the Bank of England in February, 1797,[1] was preserved by the supply afforded "through all the various small channels of circulation" of a country "every part of the circulation of which is saturated with specie." As far as I can yet judge, the amount of the State banks' notes now in circulation does not materially differ from

[1] Its ordinary circulation is 9½ to 10 millions sterling, the specie about half that sum, discounts 10 millions, capital above 2½ millions, deposits under 2½. In November, 1818, the circulation being about 9½ millions, the specie was reduced to about 1,300,000. In 1797, when the Bank of England suspended specie payments, its specie was 1,270,000; its circulation 8,640,000; deposits 3,370,000.

what it was in 1819, whilst yours have increased from less than $3\frac{1}{2}$ to near 18 millions. That increase is no more than what was wanted, that is to say, from about 45 to 60 millions, which corresponds with our increase of population; and in a country which is not in a retrograde situation the mass of exchanges and sales of commodities will, and the currency, all other things being equal, should, increase nearly in the same ratio as the population. Viewing, therefore, the currency not partially, but as a whole, your circulation has rather checked the increase than taken the place of the notes of the State banks, operating of course both ways where those banks were quite rotten. But we must expect that a corresponding gradual increase of currency will be wanted, amounting, at the same ratio, to 20 millions additional at the end of the next ten years. Now your circulation is already in the ratio of more than 50 per cent. to the amount of your capital, which exceeds the ratio not only of the Massachusetts, Rhode Island, and good city banks, but that of all the State banks taken together, this not being much above 40 per cent. Though probably practicable, and not inconsistent with the generally admitted banking principles, would it be prudent to increase your circulation much beyond its present amount? Keeping always in view ultimate security and the possibility of an extraordinary crisis, would it not be a safer course, if practicable, to supply that gradual want of an addition to the existing currency by an enlargement of the metallic currency, rather than by an increase of notes of any description?

Deeply impressed with what I consider a fundamental principle, I must necessarily advert to it whenever I treat the subject. But it does not follow that it would be proper to present it precisely in the same manner as when addressing you in confidence. The first duty is to preserve the anchor of safety to which we are now moored; and in every plan of reform it is but common wisdom to propose only that which there is a chance to obtain. Yet, and although I have heretofore always abstained from any allusion to the constitutional powers of Congress in reference to State banks, I do not know whether it may not now be proper to act on the offensive. The suggestion of a stamp duty, the animadversions on the guarantee of bank-

notes by a State, and thorough exposure of the country banking system, are all of that character. How far and where it may be prudent to conciliate or necessary to attack I have not sufficiently examined, and must remain for the moment subject to further consideration. But I wish to call your early attention to the imminent danger there is that the renewal of the charter may not be obtained on any terms, and to the absolute necessity of the sacrifices which will, at all events, be requisite in order to succeed.

In 1810 the weight of the Administration was in favor of a renewal, Mr. Madison having made his opinion known that he considered the question as settled by precedent, and myself an open and strenuous advocate. We had the powerful support of Mr. Crawford in the Senate, and no formidable opponent in either House but Mr. Clay, a majority of political friends in both Houses, and almost all the Federal votes on that question, with no other untoward circumstance but the *personal* opposition to Mr. Madison or myself of the Clintons, the Maryland Smiths, Leib, and Giles; the banking system had not yet penetrated through the country, extending its ramifications through every hamlet, and the opposition due to the jealousy or selfishness of rival institutions was confined to a few cities; yet the question was lost. Now opposition arising from interested motives pervades the whole country; in this State, for instance, amidst the unintelligible commixture and distinction of parties, the country banking interest is all-powerful on all questions connected with that subject; with a sect of politicians throughout the Union "State rights" has become a watchword; worst of all, the President has prematurely and gratuitously declared himself and given the signal of attack to his adherents; and all these, with the exception of a few friends of Mr. Calhoun, are ready to obey. I believe that all the three enlightened members of Congress for this city are of the number. The result of my personal observations last winter at Washington was unfavorable; even Mr. Ingham, a friend to the institution, seemed to me to despair, and Mr. Van Buren's safety fund is at least a proof that his views of the banking system are not correct. Against all this we have only the experimental knowledge of

what would be the result of uncontrolled State banks; and, taking in consideration all the circumstances of the case, I am clearly of opinion that, if the charter is renewed, it will not be on such terms as the bank might wish, but on the conditions which Congress may be pleased to impose, and which the bank will be compelled to accept. It was a mistake on the part of the agent of the former bank, Mr. Hollingsworth, to believe, when the discussion took place, that he could treat with Congress on equal terms. And I may add that the high dividends, extensive circulation, and flourishing situation of the bank will afford additional motives or arguments for imposing harder conditions. One of the most obvious arguments will be derived from the practice adopted by the States to tax their banks. If Massachusetts imposes one, and New York, including the safety fund, more than one, per cent. annually on the capital, why should the Bank of the United States, enjoying greater advantages, be exempted? I do believe a tax to that amount, or an equivalent, to be the minimum which will be required; and if the bank can, when paying no tax, divide 7 per cent., it will be clearly its interest to submit to the condition rather than to dissolve itself.

It must, indeed, be acknowledged that, independent of the value of the privilege to trade without incurring any greater risk than the amount of capital paid in, and setting aside the advantages derived from private and public deposits, there is a solid foundation for the claim on the part of the public to participate at least in the profits derived from the issues of a paper currency. No change may be said to be produced that affects the community by the substitution of convertible and not depreciated paper to gold and silver. In both cases the community loses (each individual in proportion to his share of it) the interest on the total amount of the circulation, and may be considered as paying an annual tax to that amount (which, being received, in the case of a metallic currency, by nobody, is a dead loss to the country); and as, in the case of such non-depreciated paper currency, the amount of the whole currency in circulation cannot be materially increased, the tax remains the same. But in this case the proceeds of that tax, or at least a considerable por-

tion, instead of being lost to everybody, are actually received by those who have the privilege of issuing the paper; and this is in fact the principal advantage arising from the substitution of paper for gold and silver, a privilege in which there is a common, universal feeling, founded, as I think, in justice, that the community or the government has a right to participate. To what amount must be investigated; but I would think it consistent with the soundest policy at once to acknowledge the justice of the claim, and that an equivalent must be given for it. One of the advantages is that of meeting the argument that government has a right and ought to issue the paper. Admitting the principle, you have only to show that not only the object is attained in a cheaper, safer, and more efficient manner through the instrumentality of the bank, but that, in reality, government may through it also receive without risk or trouble as much profit as if issuing itself the paper.

Whether a direct tax on capital or dividends, or an equivalent by a moderate interest on public deposits, a participation in the dividends when exceeding a certain rate, or some other mode, would be preferable, should be subjects of early consideration, in order that the public mind may be prepared before the day of Congressional discussion. What I would prefer, as conferring more real benefit to the community than any payment in money, would be a reduction from 6 to 5 per cent. in the rate at which bills are discounted; but this may not be practicable; and banking left to private individuals has certainly that advantage over our system, that the rate at which they lend, varying with circumstances, always adapts itself to the state of commerce and of the money market. Here, and on the plan of an inflexible rate of discounting bills, when there is less demand for capital, banks must either lay on their oars, as your branch did at Boston at the time you mentioned, or discount doubtful paper; and when the demand becomes great they must reject good paper, or discount more than prudence would dictate. The private banker in London and everywhere on the Continent of Europe discounts, according to the plenty or scarcity of money (as it is called), at the rate of 3 or as high as 8 per cent. I have seen instances of both cases, the usury laws in the last being evaded by purchasing

accommodation bills of exchange, instead of discounting notes; but this is a digression. When I alluded to the transactions in bills of exchange as perhaps affording means to give a popular equivalent, you will, I am persuaded, do me the justice to believe that I was quite aware that the principle was wrong, since it would only be transferring the legitimate profits of those operations from those who transacted them to another class of individuals who had not the slightest claim to them. And as relates to government, there is no branch of the business of which it has less reason to complain, its own part of it being done gratuituously, which is tantamount to a participation in the profits. Under whatever forms effected, the gratuitous transmission of the public moneys cannot be considered but as a purchase at par of Treasury drafts by the bank, or of bank drafts by the Treasury, to any amount, at any time, and from and on any places which may suit the convenience of the Treasury, without regard to that of the bank, or to the state of the market. (A comparative view of the amount thus transmitted for a longer period than that annexed to Mr. McDuffie's report, and of the inland exchange purchased by the bank, which I already have, might be useful; but you have not given me a corresponding statement of the drafts sold by the bank and offices on each other and of the profits thereon.) I was therefore induced to suggest the subject: 1st, because the analogous provision of making the bank and branches' notes payable everywhere is and always was the most popular measure within my knowledge which could be adopted, although I have always shown to the many country gentlemen who asked for it that, as an obligation, it was impossible to require it; 2d, because, having requested the President to explain to me what he meant by his assertion that the bank had failed in establishing an uniform currency, I understood his allusion to have been either to the bank and branches not receiving always other branches' notes as cash, or to their not purchasing individual bills or selling their own drafts at par. I rather think that their refusing thus to give drafts at par was what he particularly complained of; and I attempted, though without much success, to show that par of exchange and uniform currency were two very distinct things. Now, if you reflect on

the time when your charter expires, you will perceive that it may become *necessary*, by some modification and sacrifice, to remove that objection, however unfounded it may appear to both of us.

I have thought it useful to call your attention to those two important points, viz., the propriety of enlarging the *circulating* metallic currency, and the necessity of being prepared for such modifications of the charter as will give to the government a greater participation in the profits of the bank and render it in some respects more popular. There is a third point on which I do not feel myself sufficiently informed: it is the real utility of country banks to the districts in which they are situated. I have only general and vague notions on that subject. That the local currencies they issue are anomalous and insecure I am satisfied; but independent of the selfish motives of speculators in those institutions, there is a general feeling even now in their favor, which must have its foundation in some real utility. It is fully admitted that in Scotland, and strongly asserted that in England, they have contributed to promote industry and the general prosperity. To distinguish in that case between use and abuse is important, and to me difficult. It would be equally unjust and bad policy to deny, indeed, not to state, the real advantages which, under proper restraints, may attend those banks even in districts almost purely agricultural. As far as applied, and in proportion to the commercial transactions in country produce, manufactures, &c., of the district, there is no intrinsic difficulty. This seems to me to lie in the question, whether and how far bank loans may be safely made to mere farmers on the security of their real estate. The Scotch banks do it constantly. But can a line be drawn founded on any principle? To state those with sufficient precision, in a way which may indeed show where the abuse lies, would be candid and conciliatory; and I will thank you if you can assist me in that respect, either from your own knowledge or by referring me to others, or even to any work worth consulting.

I have received the returns of the cashiers from which the general statement of banks was prepared, but have as yet only given them a cursory examination. The charter of the State

Bank of Alabama is in point; we want that of the State Bank of South Carolina and Tennessee. Of the last there is only an extract in your Nashville cashier's letter, which is not sufficiently intelligible. (He says also that he has forwarded to Mr. McIlvain a report of the bank committee at the last session of the Legislature, showing the situation of the bank, which has been very loosely managed; and this report is not amongst the papers forwarded to me.) The State of South Carolina is stated in a note to be the sole owner of the bank of that name; the charter should therefore be examined.

Since writing this, I have read the printed "Reports of the Banks of Georgia," transmitted by you to me as above. There is no doubt that the Central Bank of that State is only an annex of the Treasury. Copy of its charter is wanted. This becomes very serious; four States erecting their Treasury into banks in whose names they emit bills of credit. Have the goodness to extend the inquiry as to that point to Louisiana, Mississippi, and North Carolina.

I am going for health and relaxation to Newport, and may be absent a fortnight. On my return I will again address you. You need not in the mean while write to me.

I have the honor, &c.

15th. Mr. Hopkinson called on me last night. Being on the eve of leaving the city, I could not avail myself of your kind offer. Should I want assistance hereafter, I will let you know. I think that I will not, with respect at least to documents. I must examine them myself; the extracts I may want will not require much transcribing, and I may have the occasional assistance of my sons.

GALLATIN TO ROBERT POTTER, M.C.

New York, 3d December, 1830.

Dear Sir,—I duly received your letter of 19th June last, and was a little startled by the request to aid you in your intended attack on the Bank of the United States, as I thought

you could not have been unacquainted with the fact that I had openly and officially advocated the renewal of the charter of the former bank, and that, although there were many opponents on constitutional grounds, the question would not have then been lost had it not been for the hostility of a portion of the Republican party either to Mr. Madison or to myself. Mr. Crawford was our principal support in defence of the renewal; and, without entering into details, it is known to all that the Clinton party was extremely dissatisfied with the preference given to Mr. Madison to the exclusion of Governor Clinton, and that De Witt was in 1812 the candidate of the opposition. This has nothing to do with the present question, but may explain why the tenor of your letter surprised me. But this was not the cause of the delay in answering your queries; and, although I was not ready to do it before this time, I ought to have acknowledged the receipt of your letter, and pray you to excuse the omission.

I had engaged in researches respecting the metallic currency of the United States, which led to a conviction that the circulation of gold coins ought not to be prevented, as it now is by our mint regulations, and that they ought to be rated according to their real market value as compared with silver. I could hardly avoid in the discussion some allusion to our paper currency, but had not properly investigated a subject of which I had lost sight since 1816, when I went to France. I received simultaneously your letter and one from Mr. Walsh requesting that I would prepare an article for his Review in relation to the reports of the two committees of the last session of Congress. It was impossible to answer without writing a book, and, having some leisure and no sufficient conception of the labor the scattered materials would require in order to an analysis and condensed form, I unwittingly promised to furnish the article. It has cost me three months of tedious labor, and, as it would not have been written but for your letter, I must ask your permission to inflict on you the task of reading it, and have accordingly written to the editor to send you a copy. I had not time to revise all the calculations myself, and the person I employed made several mistakes. Although there is none that can affect the argument, I have always felt conscien-

tious with respect to facts, and particularly statements of numbers which readers have no means to verify, and I am now employed in revising and correcting those myself, with a view to a publication in a pamphlet form, which I will transmit to you when published.

You are quite right in believing that I would feel very averse to any interference or connection with the party politics of the day; and you will easily perceive from the general tenor of my essay that I am no friend either to *our* banking system generally or to a paper currency of any kind. Had I my choice, I would prefer a pure metallic currency and private banking-houses, as in London and on the Continent of Europe, who might with perfect freedom receive money on deposit, discount notes, and deal in exchange, but not issue bank-notes or in any respect interfere with the currency; and I would wish that government should neither restrain them in other respects nor grant them any privilege whatever. But I am equally averse to any issues of paper money by government, and still more so to its converting the Treasury into a banking, trading company. This I think the very worst plan, in every view of the subject, that could be devised, and the remedy worse than any evils, great as they are, that may flow not only from the existing system, but from letting again the State banks run wild and suspend their payments. I have viewed the subject with a single eye to a sound currency, which to provide for appears to me a constitutional and a moral duty. Independent of every temporary party consideration, there are questions of right and wrong, of what is just or unjust, which must be settled on that principle alone. Such is the question of currency. With a debased coinage or a fluctuating depreciated paper you subvert every private and public engagement, impair the performance of every contract, make invariably the ignorant and the weak dupes of the shrewd and wary, and demoralize the whole community. What are the means to prevent this under existing circumstances? Can Congress subvert the whole of the deep-rooted banking system, sustained as it is by almost every State in the Union, and revert at this day to a metallic currency? I have no doubt of the constitutional power in that respect, and have

suggested the means; but I feel equally certain that the power will not be exercised. And in that case I will congratulate you and the country if you can discover any safe means of attaining the object otherwise than through a bank of the United States organized on principles in substance similar to those of the existing institution. Certain it is that none has as yet been suggested, and, perceiving no other myself, my conclusions are in favor of the renewal of the charter. For my arguments in support of the constitutionality of the measure I must refer you to the article in the Review. With me they are conclusive, and I have no doubt on the subject; but of that all are competent to judge, and provided I shall have succeeded in bringing the *facts* fairly and correctly before the public, I will be satisfied that it has been a useful task. I may be allowed to add that I am no otherwise concerned in the Bank of the United States than as owner of ten shares, and that from it or any other bank I have never asked or received any favor whatever, not having even had a single note discounted in the whole course of my life.

I am, &c.

GALLATIN TO N. BIDDLE.

New York, 8th December, 1830.

Dear Sir,—Yours of 6th instant is received. I would not in ordinary cases feel the slightest reluctance to receive compensation for my labor. This would indeed be convenient at this time, as I must withdraw to the country unless I can make some addition to my income. But the article on banks and currency makes an exception. On this I had made up my mind from the beginning. I did not write, and would not have written, and do not wish it to be supposed that I have written, for the Bank of the United States; and I necessarily must accordingly decline any compensation. So far as I am concerned, I did write, on Mr. Walsh's invitation, on a subject of great importance, and am quite satisfied provided the bank will at its expense print and publish my corrected copy. I am confident that a moment's reflection will satisfy you that my

decision is correct as respects myself, public utility, or the bank itself. Under existing circumstances, he who happens to have drawn conclusions favorable to the renewal of the charter must have no personal interest for having come to that result, if he wishes to produce any effect.

I have the honor, &c.

I will let you know how many copies I may want of the pamphlet.

GALLATIN TO JOSIAH QUINCY.

New York, 9th December, 1830.

Dear Sir,—I had the honor to receive your letter of 29th ult., to which the necessity of employing the whole of my time in correcting a work for the press has prevented an immediate answer. The sketch of my observations on the subject of an English college, before the late literary convention, is extremely incorrect, and in some respects perfect nonsense. I did not think it worth my while to disavow it, as a work is now in the press (not at all that above alluded to) intended to contain the speeches delivered on that occasion, and the editor afforded me the opportunity of correcting mine. As I had spoken without notes or preparation, I was obliged to recur to the sketch in the newspapers as a kind of text, and I fear, though having kept no copy I cannot positively say, that I may have suffered the word "honorable," which I did not use, to remain as an epithet to "dismission." With that exception, that work will be found to contain faithfully the substance of what I said. In the mean while I will, from memory, state the facts as correctly as I can.

On the first or second day of the convention the question was discussed, how far it might be beneficial and practicable to allow generally students who were considerably in advance of the rest of the class to pass into a higher one without waiting the end of the scholastic year. It was in reference to that question that the president of the meeting,—Mr. Bates, of Vermont,—after having stated some of the practical difficulties which would

occur in the execution of that plan, mentioned the attempt that had been made at the Harvard University to subdivide the Freshmen class into sections according to their acquirements, the dissatisfaction which it had caused, and that the plan was abandoned. In the course of his observations he stated, as I understood him, that some of the students, either withdrawn by their parents or applying for dismission, had said, with tears in their eyes, that they saw that they had mistaken their rate of talents, and that the time they had employed in their preparatory studies was lost to them. Mr. Bates made no application of this, nor any allusion whatever to the study of the dead languages.

On the ensuing evening, wishing to bring some definite question before the meeting more intimately connected with our projected university than had been done, and particularly one embracing the difficulty of embracing and connecting together, as is intended, the study of sciences and letters carried to a higher extent than is usual in the colleges of this part of the country, with popular and general education fitted for men not designed for the liberal professions, I submitted the propriety of an English college to be attached to the university as a kind of preparatory school. As proposed by me at that time, it was to be at the same time a classical college, in which the study of the learned languages kept distinct was not to be obligatory. I have seen reasons sufficient to convince me that this mixture of young men pursuing different studies and with different objects in view would be attended with serious inconveniences, and that it would be preferable to keep the subjects distinct, not to interfere with the classical seminaries of learning as they now exist, and to make the proposition for a purely English college, in which all the branches, with the exception of the learned languages, should be taught that are usually learned in our present colleges, a separate question. In that shape it is now under the consideration of the council of our intended university.

One of my principal arguments was that, with very few exceptions in some of our cities, all our best high schools or academies, being chiefly intended to prepare boys for admission in our colleges, were in fact Latin grammar schools, in which little else was taught; that parents who did not design their

children for the liberal professions had no choice and must send them to such academies; that I considered the time employed on the study of the learned languages by those who did not enter our present colleges or otherwise pursue their studies as lost to them, or at least of comparative inutility; that, with respect to them, that time would be far more advantageously employed in acquiring other knowledge useful in an active life; and that a college such as I proposed, and connected as it would soon be with corresponding preparatory schools, would satisfy the wants of a great portion of the community, and also effect the avowed object of rendering the road to science generally more accessible. It was in order to sustain my assertion that the time now consumed by boys not destined for our usual colleges on the study of the learned languages was lost to them, that I appealed to the fact which had been mentioned by Mr. Bates; and I added, not as a fact, but as an inference of mine, that the reason why those boys considered the time employed in their preparatory studies as a lost time was because those studies had consisted principally of Latin and Greek, which, unless they pursued them farther, were of no use to them.

Having but little experience in education, and no pretension whatever to profound learning, I did not take a part in the preceding discussion respecting the mode of tuition, and do not entertain the slightest hope of being able to suggest any improvement in that respect. My only object is what it professes to be, that of extending and improving English or popular education, so as to diffuse more widely than is done at present, amongst all those who are not destined for the liberal professions, some share of elementary mathematical, natural, and historical knowledge, as well as that of their own language and of its literature. It did not enter within the scope of my observations to make any allusion (the single fact above mentioned only excepted) to the Harvard University or to the studies pursued there. Had it been otherwise, I would have spoken of it not only in terms expressive of my personal regard, but with the respect justly due to the first and, in every respect, the most useful and enlarged seminary of learning of the United States.

I am, &c.

I say nothing respecting my denying to classical learning any superiority over mathematics and science. This is a matter of opinion, and is not connected with your inquiry, nor indeed necessarily with the object I have in view.

GALLATIN TO R. WALSH, Jr.

New York, 16th February, 1831.

Dear Sir,—I thank you for your friendly letter of the 13th. What I have been able to ascertain on the subject of reviews is sufficient to satisfy me that your editors cannot afford to pay anything like five or six dollars a page for any contribution whatever, even if the labor to compile or write the article was intrinsically worth more. Be that as it may, I precluded myself from any pecuniary advantage when I undertook to write on a subject connected with the Bank of the United States. On this point my mind is made up, and, with thanks to the gentlemen, I must decline their offer. This is an excepted case, as, so far from having the slightest objection to receiving compensation for any labor of mine, my circumstances compel me to seek for some profitable occupation. Was it otherwise, I had much rather contribute occasionally to yours than attempt to establish another review. Whether I will undertake this is extremely doubtful. It is not the drudgery I fear; to that I have been used through life, and never more than during the twelve years I was in the Treasury Department. But success appears extremely doubtful. I have not yet discovered in what quarter the indispensable assistance for some most important branches is to be found; and the limited number of readers, combined with the much greater deduction allowed here than in Europe to booksellers, renders the undertaking dangerous to any but themselves. In this instance, if done at all, I must be proprietor and editor.

I am, &c.

GALLATIN TO R. M. SHERMAN.

NEW YORK, November 17, 1831.

DEAR SIR,—I had the honor to receive your letter of 1st instant, asking my opinion respecting the plan referred to the comptroller of the State of Connecticut, by which it is intended that the banks should issue only stamped notes to an amount not greater than they shall have secured by a deposit of mortgages or public securities of certain descriptions.

This provision would clearly secure the community against any *ultimate* loss on bank-notes, provided proper care shall be taken that the land mortgaged is worth more than the amount of the mortgage, and provided also the public securities are valued sufficiently below the market price to cover any loss arising from the fluctuations in that price.

There is, however, a necessary consequence of that plan which deserves consideration. The aggregate of the notes issued by the several banks of Connecticut amounts to about two millions of dollars. If, in order to issue those two millions (or the amount, whatever this may be), the banks are obliged to vest an equal amount of their capital in mortgages or public stock, either an equal sum must be deducted from their ordinary loans, to the great inconvenience of the commercial and manufacturing interest, or they must increase the aggregate of their loans by an equal sum, which may be more in proportion to their capital than would consist with good management; or new banks or banking capital must be added to those now existing, to an amount sufficient to afford those new loans.

Supposing this arranged in a satisfactory manner, I do not think the contemplated provision sufficient *alone* to protect the public as it should be. When a corporation is created, even the stockholders are entitled to some regard, and a heavy loss, though falling exclusively on them, is still a public evil. The depositors, though less numerous than the holders of notes, are still creditors, and form always an important part of the community. Finally, the provision in question protects the holders of notes only against an ultimate loss, but neither them nor the

public at large against a suspension of specie payments and the consequent temporary depreciation of the notes. Various remedies have been suggested, and several adopted by many of the States, to guard against those evils as far as practicable. I have alluded to those in my essay on currency, and will recapitulate those that appear to me most efficient.

1. Suspension and final forfeiture of the charter in the respective cases of a temporary suspension of specie payment and of real defalcation, in a manner similar to that provided by the revised statutes of this State.

2. Interest to be paid, at the rate of 12 per cent. a year, on any note, draft, or deposit not paid by the banks when demanded, as provided by the charter of the Bank of the United States.

3. Suppression of notes under five dollars, as provided by all the States south and west of New Jersey.

4. Substantial limitation of loans and notes; the first not to be *at most* more than double, the last not more than two-thirds of the capital. I would prefer a stricter limitation, 167 per 100, and one-half of the capital.

I will give you notice whenever the free-trade committee meets. The gentlemen who were to supply me with facts have as yet forwarded nothing.

I have the honor, &c.

GALLATIN TO R. Y. HAYNE, U. S. SEN.

NEW YORK, 7th February, 1832.

SIR,—It is stated in one of this city's papers that you observed in Senate that you differed in some respects from the views taken, in their memorial, by the committee of the free-trade convention; and specially with respect to goods now free of duty which the committee wished to be hereafter subject to duty.

If so understood by you or any other person, it must be owing to some awkward mode of expression in the memorial, as nothing could be farther from my wishes and opinion.

The memorial prays that the duties may be reduced on all articles *not free of duty*, so that the duty on any such article

(not free of duty) may be uniform, &c., and that teas, coffee, wines, &c., may not be *added* to the present list of articles *free of duty*. Throughout the memorial an exception from the general principle of a uniform duty is made, admitted, or desired for raw materials.

It may be asked why the words "subject to duty" were not substituted, in defining the prayer of the memorialists, for these, "*not free of duty*," which would have been clearer and in one respect more appropriate.

The reason is that, although I did not feel authorized to ask for an extension of the articles exempted from duty, I was desirous to leave this an open question, and meant the words "*not free of duty*" to embrace not only those now of that description, but such other raw materials as Congress might think proper to add to the list.

After all, the reporter may have made a mistake, and it may be your opinion that the duty should apply to the goods now exempted; in which case I have nothing to say. But if you had really misunderstood the meaning of the memorial, I will thank you to rectify the error and to state what the memorialists intended, as now explained to you. I pray you to excuse this application, but I wish at least not to be misunderstood.

GALLATIN TO WILLIAM DRAYTON, M.C.

New York, 7th April, 1832.

Sir,—I would have acknowledged long ago your letter of 9th ult. had I anticipated the delay which would attend my answer. In the view which I had taken of the tariff, my attention had been, with few exceptions, drawn only to the examination of general principles; and when, in compliance with your request, I attempted to prepare the sketch of a bill, I found it necessary to investigate a number of details. The inquiry was much more laborious and difficult than had been expected, and the result which I now submit to you is very far from being satisfactory to myself. In forming an estimate not merely of the average

value of the whole amount but of that of the several species of foreign goods annually consumed in the United States, much must necessarily rest on probabilities; and the difficulty is greatly increased by the complexness of our revenue laws, and by the imperfect materials on which we must rely.

When the object is only to estimate the value of the gross amount of the annual consumption of foreign articles, I am confident that we will come nearer the truth by resorting to the annual average value of the exports of domestic produce than by any other mode. It seems, indeed, to be expected that those exports will be considerably increased by a reduction of the duties on importations. This may be true, but to a much less extent than is generally apprehended. For the demand for our produce is regulated much more by the wants than by the ability to pay of foreign nations. In support of this assertion I beg leave to refer to the enclosed statement of the quantities of the principal articles of domestic exports from 1796 to 1830; which clearly shows that there has not been (notwithstanding the increased population at the rate of 100 : 280) any material increase in any other article but cotton; and, from the low price of this, it may be conjectured that the supply has now rather overreached the demand, and that any increase in quantity will be attended but with a very moderate increase of value.

This view of the subject deserves particular attention in other respects. By looking at the annexed summary statement of the average value of all the domestic exports for several successive periods, you will perceive that, deducting cotton, the annual average value of all the other articles was—

For the six years 1796 to 1801,	$33,010,000
For the six years 1802 to 1807,	33,681,000
For the eight years 1815 to 1822,	33,119,000

It is evident that unless the States north of the cotton-growing States had substituted in a considerable degree domestic to foreign manufactures, the wants of one-half of their population could not have been supplied. However differing with respect to the means by which it has been attempted to effect the object, the necessity of manufactures in the middle and northern portions of the Union appears to me undeniable; and this will

amply account for the support so generally given to a system of duties which the people would easily believe calculated to afford them relief. In the mean while, the cotton-growing States were improving with great rapidity and could bear additional burdens. But now that the fall in the price of their staple and, as respects the Southern Atlantic States, the powerful rivalship of the virgin soil of Alabama and other Western districts have placed those States in a still worse situation than that of the Middle and Northern States in 1815–1824, without the possibility of remedying the evil by the establishment of manufactures, the present tariff has become intolerable. Men must, and therefore will, cheerfully submit to evils which arise from natural causes, but not to those which are inflicted by others. All I would infer is that each party should calmly consider the true situation and grievances of the other, as an indispensable preparatory step to a conciliatory arrangement.

The same summary statement also shows that there has been, during the last eight years, an average annual diminution of near five millions in our domestic exports other than cotton, and of more than seven millions in the articles other than cotton and domestic manufactures. Between that and the next preceding period of eight years there was no other difference to which that result can be ascribed than the effect of the tariff and the enhanced value of breadstuffs caused by the deficient European crop of 1816. And as this last circumstance does not make a difference of much more than eight millions, or one million in the average, it may be fairly inferred, 1st, that whatever advantages may in other respects have been derived from the late tariff laws, the agricultural interest of the Middle and Northern States has lost a foreign market for at least five millions of its produce; and, 2dly, that our exports may probably be increased to that extent by a return to a system of moderate duties.

When the object is, instead of a uniform duty, to lay different rates and to calculate the amount of the different species of imported commodities respectively consumed, the Treasury documents heretofore published afford us correct data only in reference to the articles paying specific duties. The statements annexed to the annual report on finances of the Secretary of the Treasury

give the quantities, whether consumed or exported, without benefit of drawback, on which the duties have been collected; the tables of importations and foreign exports, in the annual statement of commerce and navigation, show the quantities actually consumed and those on which, though exported, duties are collected; and the values of those quantities respectively are given with considerable accuracy in the same tables of *importations*, although no reliance can be placed, in that respect, on the corresponding tables of exports, where the value is almost invariably returned at a much higher rate than in the tables of imports. It is for this reason that those commercial tables do not afford means of ascertaining the value of the articles paying duties ad valorem which are consumed or on which the duties are collected. For they show only the value and not the quantities imported or re-exported; and if the re-exportations of articles exported with benefit of drawback are deducted from the importations, the difference always gives an amount in value less than the truth, that of the re-exportations being almost always overrated. More correct results may perhaps be drawn from the returns of duties and drawbacks compared; but of this I am not sure, and those tables are not within my reach. On the other hand, the tables annexed to the annual report on finances of the Secretary of the Treasury, which were very correct till the year 1816, have ceased to be so with respect to articles embraced by the system of minimums. The reason is that, though paying nominally a duty ad valorem, those articles are in fact charged with a specific duty and ought to have been classed as such.

Thus, all the manufactures of cotton, the prime cost of which did not exceed 25 cents the square yard, were to be estimated by the tariff of 1816 as if they had cost 25 cents; that is to say, that all such manufactures not exceeding that price were charged with the invariable specific duty of $6\frac{1}{4}$ cents the square yard, whether the prime cost was 10 cents, 15 cents, or any other price not exceeding 25 cents; and all such manufactures are valued (in the tables accompanying the annual report of the Secretary of the Treasury) not according to their actual prime cost, but at that artificial rate of 25 cents so long as that minimum was in force, and afterwards at 30 and 35 cents as the minimum was

raised to those rates. The same system has been pursued since 1828 with respect to the woollen manufactures embraced by the minimum duties, and the consequence is that all goods of that description (that is to say, included within the minimum provisions) are greatly overrated in the tables in question.

We can therefore make only an approximate estimate of the respective value of the several species of the goods paying duties ad valorem; and I am sensible that mine is very imperfect. You will see that I have estimated the value of those goods at 40 millions; but, as nearly two millions now paying such duties are added to the class of those free of duty, that estimate is tantamount to a valuation of 42 millions for the goods now paying duties ad valorem. That value, deduced from the commercial statements for the six years ending 30th September, 1830, is, including goods exported without privilege of drawback, 36,040,000 dollars; and deduced from the tables annexed to the annual report of the Secretary of the Treasury, 45,310,000. I think that the probable increase of importations arising from lessened duties will fall more on those paying specific duties on which a great reduction is made or proposed (teas, coffee, molasses, wines, &c.) than on those paying duties ad valorem. Yet on a revision of the whole I apprehend that I may have underrated these perhaps 2 millions of dollars, and that the difference will for one-half of that amount fall on the cotton goods.

But after you shall have made such corrections in the estimate of the respective value of the several descriptions of goods as may be suggested by more correct documents and further investigation, still greater difficulties must be surmounted in the proper distribution of the several rates of duties. The first, which I have not been able to overcome, and which has been the principal cause of the delay in the transmission of the enclosed sketch, is the limitation you suggested of a revenue derived from customs not greater than ten millions.

I feel, indeed, most sensibly the necessity of allaying the excitement of the South; and I may with perfect truth say that no other motive but one connected with the permanence of the Union could again have drawn me into the field of

active politics. But the object can in no other way be attained than by a compromise. What effect that which I think sound reasoning sustained by incontestable facts may ultimately have on public opinion, biased as it is by private interest and party feelings, it is impossible to predict. But it is certain that at this time the tariff system is supported by a majority of the people and of both Houses in Congress. And when an appeal is made to the patriotism of that majority, when they are requested to yield their own opinions and to sacrifice a part of what they consider their interest, success cannot be hoped for without a corresponding and still greater spirit of concession on the part of the minority. The greatest apparent obstacle to this is the belief in the unconstitutionality of the tariff; that is to say, of duties raised not for the sake of revenue, but for that of protecting certain branches of industry. I cannot judge of the extent of concession necessary on the part of the moderate friends of that system in order to arrest the alarming state of things in the South; but I am confident that no greater can be expected than is suggested in the enclosed sketch. However objectionable a revenue larger than we think necessary may be, it is not liable to the constitutional objection; and, since it is evident that the respective rates of duty will be higher in proportion as the whole revenue will be greater, I cannot perceive any more eligible mode of conceding to the supporters of the tariff so much as is absolutely necessary in order to effect a compromise, than by agreeing to a larger revenue than might otherwise be deemed proper. I did try, but in vain, to devise a plan that could have any chance of proving acceptable within your limits; and I concluded it best to submit to your consideration one founded in mutual concession, without calculating in the first instance what would be the amount of revenue produced by the proposed duties. That estimate was the last thing I did, and amounts, as you will perceive, to 12,600,000 gross, or about 12,000,000 net, revenue. But, for the reasons already mentioned, I think it probable that it would yield at least 13,000,000. If it is deemed necessary to make it less, thinking as I do that lower rates of duties on the protected articles cannot possibly be obtained, and of two evils choosing the least,

I would agree to the total repeal of the duties on the articles proposed by the Senate, if through that measure a conciliatory arrangement can be effected.

There are two items amongst the specific duties which constitute so large a portion of the whole that it would be very desirable, if practicable, to reduce them. These are spirits and sugar. The first pay a most exorbitant duty; but how to reduce this without increasing the consumption is the difficulty. Was it not for the strong and on our part insuperable objection against prohibitions, I would have been tempted to suggest that of spirits from grain. The duty of two cents on sugar is, according to the present price of that article, higher than that proposed on any other of the protected articles. But this is a commodity respecting which it may be doubted whether the quantity produced in the United States is not such as to affect its price generally; and it seems prudent to make at first but a moderate reduction, and to judge from experience how far the doubt suggested has any foundation. The observation applies neither to iron, woollen goods, nor any other protected article the production of which may be increased in foreign countries to any extent required by our demand without increasing the price.

We are less prepared to make coarse than fine woollen goods, principally because we cannot raise profitably the cheaper kinds of wool. For that reason, and as essential to the South and to the poorer classes everywhere, I have thrown the coarser woollens in a much lower class of duties than the finer. We are, on the contrary, much better fitted to manufacture the coarser than the finer species of cotton goods; and it may be found practicable to obtain a reduction of duties (below 25 per cent.) on such of those goods as are worth more than 30 cents the square yard, and also on cotton hosiery.

A great defect of the enclosed plan is its want of simplicity. This, though quite contrary to my own opinion in the abstract, arises from the necessity of adopting such modifications as may lead to a compromise. But in attempting this I was guided only by general information, and wanted the knowledge which you may obtain of the items on which the moderate friends of the tariff may be disposed to yield, and of those on which they

are inflexible. When this shall have been ascertained, it may be found more eligible to bring in amendments to the existing system rather than to propose an entirely new law. It seems, indeed, impracticable to overset in one session a system consolidated by the progressive legislation of a number of years; and was it not for the threatening attitude of the South, to check the progress of the system and to divest it of its most obnoxious features would be a great deal for one session, and perhaps enough altogether. Respecting the gradual reduction of duties, and the time necessary to effect it without inflicting a severe injury on vested interests, I have made no suggestion, as this must necessarily be arranged by mutual agreement on the spot. The rates of duties I have suggested are those to be, in my opinion of a compromise, ultimately and permanently adopted.

Under existing circumstances I would almost despair of succeeding in effecting a compromise without the aid of the Executive. Whatever the abstract opinions of the President may be respecting the policy of the tariff, I have no doubt of his disposition, in the present crisis, to promote such conciliatory plan as will appear to him rational.

In what manner this should be done it is not for me to say; but it is extremely desirable that you should, so far as is practicable, act in concert with the Secretary of the Treasury. I cannot but believe, also, that you will find a disposition to conciliate on the part of the Senators and of several members of the delegations of Pennsylvania and New York. The most difficult and yet the most important point to obtain is a great reduction of the duty on wool. I see with satisfaction that that on flax is abandoned. The principle is the same with respect to hemp, and more or less to every raw material. I insist the more on that point, because my agricultural bias had originally induced me [to] lean to a contrary opinion, and it is experience which has satisfied me of my mistake, and that on that point, at least, the general opinion was correct.

Permit me to add that such is your high and justly-deserved standing with all parties, that if you fail in the attempt there is indeed but little hope of a satisfactory arrangement of this momentous question. Entertaining a just sense of the confidence

you have placed in me by applying for such information on the subject as I might possess, I cannot but regret my not being able to supply you with better materials. Any further explanation within my power will be cheerfully given at any time when requested.

I have the honor, &c.

GALLATIN TO LEONARD JARVIS.

New York, October 22, 1832.

Sir,—I received on Saturday your letter of the 15th instant, in which you inform me that I am reported to have said, 1st, that General Jackson's opinion had been that the decision of the King of the Netherlands was not binding on the United States; 2dly, that he was willing to give up a part of the territory of Maine to secure re-election.

I never said any such thing: the first allegation is founded in error, and the other is altogether destitute of foundation.

1. In June, 1829, at the time of laying before the President the first statement respecting the North-Eastern boundary, which had been prepared by Mr. Preble and myself, I gave him verbally a brief history of the case, with which he was not then thoroughly acquainted; and in the course of the conversation he expressed a doubt of the propriety of having at all consented to submit the subject of difference to the arbitration of a foreign power. This was a question already decided, and quite distinct from that of abiding by the award after having assented to the arbitration.

It is my sincere conviction that the decision of the King of the Netherlands, being on the face of it inconsistent with the description of the boundary in the treaty of 1783, is not binding on the United States. This opinion I have freely expressed, but as my own, and not at all as being or ever having been that of the President. The fact on which it is founded is the award itself; and from the last day of December, 1829, when I left Washington,—that is to say, fifteen months before the decision of

the King of the Netherlands was made and known,—I have not seen the President, nor, directly or indirectly, received from him any intimation on that or any other subject whatever. It is my earnest wish that the difficulties with which the case is now embarrassed may be surmounted; but I am altogether unacquainted with the course our government intends to pursue.

2. The supposition that I could have said that General Jackson was willing to give up a part of the territory of Maine to secure his election is a glaring absurdity; since it is manifest that such a course would injure it in Maine without promoting it in a single quarter of the Union. But the opinion thus ascribed to me is the very reverse of that which I entertain of the President. So far from being willing to sacrifice for that purpose the interest of the United States or of any State (a kind of negative praise to which almost every public man in America is equally entitled), it is a conspicuous trait of his character that at all times, on all occasions, and even on subjects of minor importance, General Jackson fearlessly avows and acts in conformity with his opinions, with a total disregard of the effect it may have on his popularity and re-election.

P.S.—I have only taken notice of the allegations specified in your letter. It may be proper to add that I wish that the President had found it consistent with his duty to reject the award without submitting it to the Senate; that I have regretted the steps taken by the Legislature of Maine in relation to an equivalent from the United States; and that I have not concealed those sentiments.

GALLATIN TO HORSLEY PALMER.

New York, May 1, 1833.

Dear Sir,—I received about three months ago, without knowing to whom I was indebted for the favor, a copy of the "Evidence taken by the committee on the subject of the renewal of the charter of the Bank of England." Your very acceptable letter of 12th December last reached me much later, the ship

having been compelled to put back in distress in an Irish port, where she was detained several weeks. I return you my thanks for both. The first contains a body of invaluable information, and you need not have claimed indulgence for your evidence, which is not less luminous in the exposition of facts than correct in the principles it sustains. Your letter throws additional light on the subject, and the questions you propose embrace every essential branch of that complex inquiry. For that very reason I hesitated whether I should attempt to enter into the discussion or do anything more than to acknowledge the receipt of your favor. I feel some confidence in the soundness of my opinions on the subject of currency as applied to the United States; but I am not competent to judge for other countries. Some general principles must, if true, be indeed applicable everywhere, but they are few, and must, in most cases, be modified by the situation, and perhaps as much by the habits, of every country respectively.

Thus, for instance, we have, from the necessity of the case, uniformly departed from that which is in Europe considered as an essential banking principle. The increase of our population and the unparalleled spirit of enterprise of this nation have always been far in advance of the accumulation of capital. That of the banks has always been required for the immediate aid of commercial undertakings. That of the Bank of the United States, as well as that of the State banks, is, in addition to the issues and deposits, applied almost exclusively in discounting private bills and promissory notes. The portion vested permanently in public stocks and real estate is so inconsiderable that it need not be taken into consideration. I believe that at this moment those private discounts by incorporated banks amount to about 250 millions of dollars, of which less than one hundred rest on issues and deposits, or, in other words, on the principle of borrowing with one hand and lending with the other.

The residue is, in fact, the loan of the capital itself of the banks; and it could not be withdrawn from that employment without bringing universal ruin and arresting the progress of our commercial and manufacturing industry. That credit has

in too many instances been far too much extended (particularly in the interior) is indubitable; but it is not less true that capital was drawn in that direction because it could not be employed as profitably in any other way; and that more is still wanted for the same purpose is proved by the fact that there is not enough to discount good short paper at 6 per cent.

Another important difference between the United States and Great Britain arises from the peculiar form of our government. Our paper system, and therefore our currency, is under the control of twenty-four different legislative bodies, which, although forbidden to issue paper money in the name and on the credit of the individual States, authorize its issue by the joint stock companies they incorporate, and even in some cases do it on their own credit through the medium of nominal banks, which are only subordinate offices of their treasury. But even when acting on sounder principles, it is impossible to expect, from so many independent legislatures, any uniformity, any system that will bring every description of paper currency under the same regulations and restrictions. The Bank of the United States must not be considered as affording a complete remedy, but as the best and most practicable which can be applied. Its object is not to substitute its paper for that of the several State banks, which cannot either legally or in fact be done to any considerable extent, but so to control by its operations those of the other institutions as to keep their issues within reasonable bounds, and thereby give solidity and an uniform value to the whole mass. In order to do this it is, of course, necessary that the issues of that bank should be extremely moderate and its treasure considerable. It had acted on that principle and had been irreproachable in that respect as late as November, 1830, when I wrote the essay on our currency which you have seen. The inconsiderate subsequent extension of their loans and issues, and consequent diminution of their treasure, has not escaped your observation; and their conduct in that circumstance has been attended with worse consequences to the bank than you could be aware of, by affording a strong argument against the renewal of the charter.

When, therefore, you ask whether I think a single bank of

issue preferable, I must answer that it would be altogether impossible to resort to that plan here, and ask whether it is practicable with you. Will the country interest permit it? You were not even allowed to extend to Scotland the beneficial provision which suppressed small notes. Still, as the power does exist, as the authority of Parliament is paramount, there is, at least, no absolute impossibility to adopt the plan which your own experience must have taught you to be the best adapted to your circumstances. Sir H. Parnell's opinions are entitled to the highest respect. No legislation is better than a bad, and, on most subjects connected with economy, than any legislation. Yet, with respect to currency, to the power of issuing that which is the standard of the value of every other commodity and regulates every contract, our experience in the United States is decisive against allowing the privilege to every one indiscriminately. Such were the evils of that system that, without concert, and almost simultaneously, every State in the Union passed restraining laws. I have not disguised how imperfect those are in many of the States; but still our present situation is better than when every one issued paper as he pleased.

Having promised so much, I will, though with unfeigned diffidence, give you my opinion on the several points alluded to in your letter.

Judging from analogy, I believe with you that joint stock companies, though affording generally more security to the holders of notes, will have a tendency to increase the amount of issues, to lessen that of specie or money assets in the interior, and be liable to greater fluctuations in the expansion and contraction of the currency and of the calls on London for specie than under the existing system.

Under any system of paper money, a single bank of issue, such as that of England was sixty years ago, such as that of France now, is to me the *beau idéal*. The evils that might arise from the monopoly must be prevented by adequate positive restrictions, by publicity, and the consequent effect of public opinion, and, above all, by the omission in the new charter of any provision binding government not to grant any other at any time or place and in any shape it may think proper; this check

alone, with publicity and the evident interest of the bank, seems sufficient to prevent any gross abuse; and I believe the advantages of unity in the control of issues of paper to be incontestable. The mode you have lately adopted to supply country bankers with notes at a moderate rate of interest appears to me excellent. It would be impossible here to separate entirely a bank of issue from ordinary banking business, viz., discounting private paper and receiving private deposits. But if the Bank of England can do without either, it would be a great improvement, remove many well-founded objections, lessen the great power which must necessarily be given to the bank, and leave the banking business proper where it ought to be,—to the natural competition of private bankers.

It may, I think, be demonstrated by our experience, contrasted with that of the London bankers and of those of the Continent of Europe, that banking proper, detached from the power of issuing notes, may be and is conducted much better and more profitably by private individuals than by joint stock companies. If it becomes necessary to resort to these for the purpose of issuing a paper currency in the interior, it appears to me absolutely necessary to place them under certain restrictions, amongst which the principal (according to our experience, which on that point is more extensive than that of any other country) would seem to be the obligation of investing their capital, or a considerable part of it, in unalienable public securities; the limitation of their issues to one-half or two-thirds of their capital; that of their private loans or discounts to an amount not greater than that capital; the obligation to discharge on demand their issues and deposits (current accounts) in legal coin or notes of the Bank of England, under penalty of a higher rate of interest than that at which they are permitted to lend or discount, and of forfeiture of their charter, as well as of summary attachment of the whole of their property in such cases of presumed fraud or gross neglect as may be defined by law.

I do not think it necessary to dwell on such of your observations as refer to my opinions on certain points on which it is very possible that I was mistaken. In theory, the principle of a single metal for standard cannot be denied. I think it erro-

neous in practice, at least in the United States, but have nothing to add to the reasons I have adduced in support of my opinion. If only one metal is adopted, which should be preferred seems doubtful. At present, whenever the relative value of gold is greatly increased in the rest of Europe, the demand for it presses with great inconvenience on England. Silver being our standard, we are immediately affected by a contrary state of things and whenever there happens to be an extraordinary demand for that metal. Ricardo's plan appears to be a proper remedy against an internal panic, but could not, I think, prevent the exportation of bullion, when the pressure arises from external causes, otherwise than by the fall of prices caused by the contraction of the currency.

My observations on the silver coinage of England applied to the system as established by law. This provided no remedy against a superabundant issue, and my objection would have proved well founded had not the bank spontaneously interfered, and, at its own risk and expense, redeemed the superfluous quantity. It will be altogether removed if government provides by law for that redemption whenever applied for by the holders.

I fear that I may not have fully apprehended your observations on the only pecuniary advantage derived from the substitution of paper for a metallic currency; at least I do not understand on what is founded the distinction you draw. It seems to me that, in every case, the annual gain is equal to the interest on the amount of paper substituted, and it is thus stated on pages 18 and 19 of my pamphlet; but this is a point susceptible of doubt, and I regret my inability to understand your objection. This probably arises from my not being sufficiently versed in the doctrine of high and low prices.

I pray you to excuse the erasures and inaccuracies of this letter, which has been too long delayed and which I have not time to correct.

I have the honor to be, with high consideration, dear sir, your very obedient and faithful servant.

GALLATIN TO LA FAYETTE.

NEW YORK, May 12, 1833.

MY DEAR FRIEND,—I have been very remiss of late in writing to you. The cholera drove us out of town shortly after the receipt of your last communications; and, since our return, my answer has been delayed from time to time under an expectation of collecting the information necessary for a satisfactory reply to your inquiries. I hope that Mr. Livingston will be able to obtain better materials than were within my reach. On an important and the most difficult branch I can offer nothing better than conjectures, and you will easily understand my reluctance to hazard a vague opinion on a subject of that kind. As I have, however, no hope of adding for the present anything to my stock of information, you have my *estimate*, which I give only as such, and distinguishing those items on which most reliance may be placed, I arrange them under the following heads: 1. Revenue of the general government. 2. General expenses of the State governments, or sums paid into and expended by their several treasuries. 3. Local or municipal taxes. 4. Militia charges. 5. Miscellaneous charges, generally voluntary, and neither collected as taxes nor falling on the whole community.

1. The revenue of the general government is now confined to three objects: 1, the post-office, which, as it yields nothing, is no tax, the whole proceeds being applied to the acceleration and extension of the mails, and the community paying therefore, for the benefit received, no more than the money actually expended for that purpose; 2, the proceeds of the sales of the public, viz., of uninhabited, uncultivated, and unproductive, lands. The annual amount varies from *two* to *three millions of dollars*, and is not a tax. Every purchase is voluntary, and advantageous to all the parties: to the purchaser, who, on the most easy terms, becomes a freeholder and secures for life an independent existence; to the community at large, which is enriched by the annual conversion of unproductive into most productive land; to every individual of that community, whose taxes are lessened in proportion to the amount received; 3, the customs or duties on

importation, the only *productive tax* now raised by the general government. This, before the late reductions, amounted to 21 millions, and is by those intended to produce *fifteen*. The United States had never, in time of peace, expended more than thirteen millions beyond the payments on account of the public debt, and including about one million for internal improvements. It is therefore probable, and it may be assumed, that, though the existing laws should produce more than 15, the revenue will be ultimately reduced to that amount.

2. The annual memorandum of the general expenses of fifteen out of the twenty-four State governments, and amounting together to 2,912,000 dollars, may be considered as substantially correct; and the expense of all together, and of so much of that of the District of Columbia and of the three Territories as is not defrayed by the general government, calculated at the same rate, cannot exceed *four millions*. A portion of their expense is, in some of the States, defrayed by other funds than taxes, such as sales of public lands, dividends on bank stocks, &c.; but, on the other hand, there is a portion of debt incurred, particularly by Pennsylvania, for internal improvements, not yet provided for; and, until better informed, the excess of the interest beyond the tolls (requiring a tax for the deficiency) may be assumed as equivalent to the portion of the said four millions which is not raised by taxes.

3. The local and municipal taxes consist of the poor tax, the road tax, and such as are necessary for defraying certain portions of the expenses of the administration of justice and other lesser objects, which vary in the several States, such as the building and preservation of court-houses, jails, and offices for the safe-keeping of records, the prosecutions for public offences, the pay of jurors when they are paid, &c. In some States a certain portion of the expense of primary education is also defrayed by a tax on the town or township; and a great additional expense is incurred in all our cities for paving, lighting, watch, preservation of health, and whatever of police is necessary for the preservation of order and consistent with our institutions. There are in the United States several thousand counties, towns, townships, cities, boroughs, or other subdivisions, most of which

make no report of the taxes raised in each. It is utterly impracticable for any private individual to obtain a sufficient number of returns to form, even by analogy, a correct estimate. Those which may be collected by the Secretary of State will afford materials for that purpose, provided they are digested by a competent person. This is the point on which I have but imperfect and vague notions. The maximum in our largest cities is about $3\frac{1}{2}$ dollars per head. In many interior agricultural districts of the Northern, Middle, and Western States the amount does not exceed half a dollar. It is generally less in the Southern than in the other States. Their roads are not kept in as good repair; the greater part of what would, where labor is free, become a poor tax is, in a slave country, a part of the expense of supporting the slaves; and various public services which are paid for in the North are rendered gratuitously by the planters of the South. The nearest conjecture which I can form, on a view of the whole subject, is, that all the expenses under this head exceed half a dollar and cannot amount to a dollar for each free individual. The enclosed memorandum contains a condensed view of our population in June, 1830, by the last census, and also the rate of increase of each description of persons during the period of ten years,—1820–1830. Three years having since elapsed, our population for this year must be about fourteen millions, of whom less than 2,200,000 are slaves. According, therefore, to my vague estimate, the aggregate of the local taxes is more than six and less than twelve millions, and till better informed I set them down at *nine millions.*

4. Militia charges. The enrolled militia may amount to near 1,500,000. The muster-days are nowhere less than two, and sometimes three, a year. Taking the average at two days and a half, and that of the price of labor at two-thirds of a dollar, which is too high and will cover some incidental expense, the annual necessary charge must be about *two millions and a half.* The expense incurred by the uniform voluntary companies is a matter of their own choice, and cannot be considered as a tax.

5. The miscellaneous expenses, which by some persons have been considered as taxes, consist principally of that for schools and the clergy, tolls on artificial roads, and fees paid by indi-

viduals to certain officers, who are compensated in that way instead of receiving salaries. The portion of the expenses for schools which is defrayed by taxes has already been included under the head either of State expenses or local taxes. Some States have accumulated permanent funds, which defray another portion. The school fund of Connecticut consists chiefly of mortgages, and yields about fifty thousand dollars a year. The pay of schoolmasters, so far as it is not derived from those sources, is not a tax, but a spontaneous expense incurred by individuals for the benefit of their children. The compensation of the clergy (with perhaps the single exception of Massachusetts) is precisely of the same description. It is only because the clergy in France is paid by government that writers who made the comparison between the two countries have been induced to consider the voluntary offerings of the American citizens for what they believe to be an object of first-rate importance, as a tax imposed upon them. In that view of the subject, the attendance on theatres, the use of wines and spirits, and everything not necessary to sustain physical existence, might be called a tax. This is not certainly one; and those are certainly correct who, in order to institute the comparison, strike out that item on both sides.

It is otherwise with the tolls on roads, and particularly the fees to officers, which, though paid only by those, must necessarily be paid by all those who use the first and want the services of the others. But neither roads of that description nor fee officers are numerous; and, although this must also be a vague estimate, I think that I make a large allowance in rating both together at *one million and a half.*

Recapitulating the whole, we have:

United States government,	$15,000,000
State governments,	4,000,000
Local or municipal charges,	9,000,000
Militia,	2,500,000
Tolls and fees,	1,500,000
In all,	$32,000,000

Which, on our present population of 14,000,000, is less than $2\frac{29}{100}$ dollars, or francs $12\frac{18}{100}$, per head. But I am quite will-

ing to allow 25 per cent. more to the gentlemen who may wish it, and to admit that we pay 15 francs a head. And pray what inference is intended to be drawn from that fact, supposing it could be proved? That fact alone is altogether insufficient either to establish a comparison of the relative effect of taxation on the prosperity, wealth, or happiness of two nations, or to draw any correct conclusion with respect to the influence which their respective forms of government have on the general result. The people of Russia pay much less per head than those of France, and the Turks still less in proportion than the British subjects. Would it not be absurd to infer that the Turks and Russians are less oppressed by taxation, more prosperous and happy, than the inhabitants of France and England? or that the forms of government of the two first countries were preferable to the institutions of the two others? In order to show that the weight of taxation depends on other causes than the nature of the government, it may be sufficient to observe that prior to the French revolution the two freest countries on the Continent of Europe—Holland and Switzerland—both were federative republics, and that taxes were heavier (in proportion to the population) in Holland and lighter in Switzerland than in any other country in Europe.

The magnitude of taxes is not caused by the extravagance alone of governments or by the effects of a profligate or unskilful administration. It depends in a great degree on the expenses to which nations are liable on account of their political and geographical situation. Where these do not essentially differ, the amount must necessarily be limited by the national wealth and ability to pay of the individuals. That wealth and ability to pay are always eminently increased under governments which, abstaining from the exercise of every species of arbitrary power, govern by equal laws and, without favoring or oppressing any particular class of people or species of occupation, afford complete security to persons, industry, and property. To infer, when that result has been obtained, that because the people are able to pay and may pay more than those of other countries, they are more oppressed and less happy, is an obvious absurdity. Much depends also on the nature of the taxes, which may be

more or less oppressive and partial, and, which is if possible still worse, may strike at the sources of national wealth and industry; and much also on the nature of the public expenditure, on its being applied to beneficial or productive objects, or to the support and increase of the unproductive and idle members of society. All these considerations have been long familiar to those who have paid the least attention to the subject. To discuss them and to examine and compare the effects produced in that respect by the respective institutions, mode of administration, and state of society of France and the United States, would require more knowledge and labor combined than have yet been brought in the field of discussion. Having only suggested some of the elements necessary to be investigated, I will conclude this long letter with some cursory observations relating to the United States.

I find two striking illustrations of what I have said respecting a beneficial or productive [expenditure] in our own recent history. From the accession of Mr. Jefferson to the Presidency to this day, the United States have applied from seven to ten millions of dollars a year to the payment of the interest and principal of the public debt. They have been thereby enabled to discharge the whole of the principal, amounting to 160 millions of dollars, the aggregate expenditure of the Revolutionary war and that of 1812–1815. This payment having set free a revenue of ten millions, the taxes have been reduced six millions, reserving four millions for internal improvements, a more rapid increase of our navy, or some other useful purpose. Had that revenue of seven to ten millions, or so much of it as was not necessary to pay the interest, instead of being applied to the discharge of the principal, been expended on an unnecessary expansion of our military establishment in time of peace, or any other useless and unproductive object, the people of the United States would to this day remain burdened with ten millions of annual taxes for the payment of the interest alone, and with the prospect of an indefinite increase of the principal whenever emergencies rendered a resort to loans necessary. The other instance is found in the State of New York. That State borrowed about eight millions, and applied the money to those splendid and

eminently useful and productive works, the Erie and the Champlain Canals. Those are completed, and the tolls alone are sufficient to pay the interest and discharge [the capital] in a few years, whilst the expense of transportation has been reduced to one-third of what it was, and an inland water communication has been opened from this city to the St. Lawrence, to the further extremity of the great Western Lakes, and (through the Ohio Canal, undertaken on the same principles and now completed) to New Orleans and the Gulf of Mexico. If, instead of being applied to an object so useful, so productive, so highly calculated to shorten distances and to cement our Union, the money borrowed had been lavished in unnecessary pensions, high salaries, sinecures, or even on ill-digested and unproductive plans of improvements, there would have been so much capital actually destroyed, and the people of the State would have now half a million of additional taxes to pay for the interest, without receiving the least compensating benefit.

The combined effect of the state of society in the United States and of their democratic institutions on the public expenditure and the system and extent of taxation, may be traced in many particulars.

The price of manual labor, and the compensation of what is purely mechanical, such as the salary of ordinary clerks, is much higher than in Europe. This is the simple result of the comparative state of supply and demand for those objects, arising principally from the superabundance of land compared with the present population. On the other hand, our democratic institutions prevent the salaries of the higher offices from being paid more than, on that same principle, they are worth, and in some instances keep them below that point. There is still a great difference between the salaries of the several occupations, but a much greater equality than in Europe. The common laborer earns three hundred dollars a year in our large cities, one hundred and fifty in the country; a common transcribing clerk in the public offices at Washington receives eight hundred dollars; the Minister of Foreign Affairs, or that of one of the other great Departments, six thousand. Thus we have none of the abuses generally complained of in Europe, no civil pensions, no sine-

cures, no extravagant salaries given to courtiers or officers of a high grade; but the privates in all our several establishments, military or civil, in our army, navy, and public offices, cost much more in proportion to their number. So far as respects civil employments at least, I may assert that, on the other hand, we perform the same labor with a much less number of persons, whether officers or clerks, than in France.

It is sufficiently obvious that the other general expenses, either of the general or State governments, are on a very moderate scale. The local taxes alone can be considered as heavy in many places in proportion to the value of the property which is taxed. The tax in this city solely for local purposes was nominally 46 cents per hundred dollars of the nominal valuation, which was equal on the real property to about $\frac{2}{5}$ per cent. of the actual value. For this year it will be about $\frac{1}{2}$ per cent. on the real value. I pay about the same rate for houses in Baltimore, and I understand that the rate in Philadelphia, where there is hardly any tax on personal property, is still higher on the actual value of the real estate. But that city is better administered than this, and the people get the worth of their money. They have provided much more ample funds for common schools, and an ample supply of water. The tax on personal property is here, on account of its inequality, on a still worse footing. No one, indeed, can be made to pay more than his rate; but the assessment is left to the caprice and arbitrary decision of ignorant assessors, and three-fourths of the wealthy inhabitants pay much less than their share, which falls on others less fortunate or skilful. Whatever is arbitrary is odious, and this, much more than the amount, is objectionable. I have before me the precise amount of purely local taxes for twelve years on property in Fayette County, Pennsylvania, which I have since sold for twelve thousand dollars. The average is 55 dollars a year, or about $\frac{1}{2}$ per cent. on the real value. I compared carefully, whilst living there, the rate of my assessment with that of the other lands in the same township, and found it perfectly equitable and that this was the general rate. I have found nearly the same result (of $\frac{1}{2}$ per cent. a year, on the actual value of improved real estate, for local charges) in my taxes in the State of

Ohio; and I have already observed that about the same rate is paid for the same purposes in the cities of New York, Philadelphia, and Baltimore. But this tax is in reality much heavier in the country than in the cities. For the net rent of land in Pennsylvania is less than 3 per cent. on the value, whilst that of houses is on an average 6 per cent. here and in Baltimore, and more than 5 in Philadelphia. The local taxes in the country, at least where I am acquainted, amount to at least one-sixth of the income, and that on houses here to not more than one-twelfth part.

This, merely for local disbursements, is certainly a heavy charge, particularly in the country, and arises partly from local wants, which for some objects, such as roads, are very great in proportion to our wealth. But it is also due in a great degree to our democratic institutions; and the burden, which was extremely light, specially in the country, fifty years ago, has been gradually and is still increasing. The reason appears to me obvious enough; government is in the hands of the people at large. They are an excellent check against high salaries, extravagant establishments, and every species of expenditure which they do not see or in which they do not participate. But they receive an immediate benefit from the money expended amongst themselves, either as being employed in opening roads, the erection of buildings, &c., or as being more interested in the application of public money to schools, the payment of jurors and other petty offices, and even prospectively in the provision for the poor. They in fact pay little or no portion of the direct tax (occasionally enough in towns, but indirectly by the increase of rents), and receive the greater part of its proceeds.

You perceive that I do not disguise what I think to be the defects, and I know no other of any importance, in our system of taxation. I do not know any remedy for it here but in the exertions to obtain the best men we can for our municipal officers. But where institutions are yet to be formed, I may say that I have not discovered any evil to arise from universal suffrage in the choice of representatives to our legislative bodies, but that for municipal officers who have no power over persons, but only that of applying the proceeds of taxes, those who contribute

to such payment ought alone to have the privilege of being electors.

I have neither paper nor time left to write to you on a far more absorbing subject, that of our unfortunate Southern difficulties. This will be the subject of another communication. I have only room to convey to you and to your family the most affectionate remembrances of every member of mine. We are all well. Frances has two children, James still but one, Albert still unmarried, my wife always enjoying excellent health. I am growing old and weak. So long as life remains I will be, with equal respect and sincere attachment, your old affectionate friend.

GALLATIN TO EDWARD EVERETT.

New York, January 5, 1835.

Dear Sir,—I had the honor to receive your letter of the 30th ult., and give without hesitation, whether as to time, manner, or matter, an answer to your two first questions.

Since it has been decided that no measures should be adopted in reference to France which should take effect before the decision of the legislative body of that country, during its present session, on the treaty should have been ascertained, any declaration, still more any legislative act, announcing what, under certain contingencies, the United States intend to do, is equally unwise and unprecedented.

The declaration that they will, if a prompt execution of the treaty shall be refused, take redress into their own hands, can have no possible effect towards obtaining an affirmative decision, unless it is considered as a threat; and, if thus viewed by France, it will afford a pretence, if not a real motive, for suspending a decision until the threat is withdrawn.

But if the object is to show our spirit without regard to consequences, it should not, at least, be announced to the adversary that, if within a certain time he shall not comply, reprisals will take place. With this knowledge of what we will do, he will make his preparations, select his own day, and, on that on

which a negative decision takes place, anticipate our intended reprisals.

In every case, particularly when hostilities are contemplated, or appear probable, no government should commit itself as to what it will do under certain future contingencies. It should prepare itself for every contingency,—launch ships, raise men and money, and reserve its final decision for the time when it becomes necessary to decide and simultaneously to act.

The proposed transfer by Congress of its constitutional powers to the Executive, in a case which necessarily embraces the question of war or no war, appears to me a most extraordinary proposal, and entirely inconsistent with the letter and spirit of our Constitution, which vests in Congress the power to declare war and to grant letters of marque and reprisal. No one can at this moment anticipate, if the treaty should not promptly be executed, under what circumstances this will take place, and whether there may not happen some, either arising out of the case itself, or of an extraneous nature, sufficiently cogent to induce on our part a suspension of the measures which may now be contemplated. If the Act transferring the authority to the President should be so precisely defined as to make him a mere instrument without any discretion, it would be an untimely and most improvident measure. If he is vested with any discretion whatever in the case, it is a most illegitimate transfer of the constitutional powers of Congress. If our Representatives are for war, let them declare it, and neither attempt to conceal their views under the name of reprisals, nor throw on another branch of government the responsibility which belongs exclusively to them.

The President has recommended a law authorizing reprisals upon French property; and he speaks of this measure as a seizure and sequestration of such property. Such property can be captured or seized only on the high seas or within our own jurisdiction.

Whether he means a seizure of vessels, goods, debts, or stocks in our ports, or anywhere within the United States, which may belong to French citizens, or letters of marque and reprisal at sea, I do not understand.

The British, in case of war, seize every vessel in their ports belonging to the enemy. With this single exception, the relic of an age of barbarism and piracy, and which makes part of the King's droits of admiralty, I am not aware that any civilized nation does at this time, even in case of war, seize the property of private individuals which in time of peace had been trusted to the hospitality and good faith of the country. I am certain that the United States never were guilty of such an act as a nation, neither in 1793, when the British were plundering without notice our West India trade, and when an unsuccessful motion to that effect was made, never to be again repeated, nor in 1798, at the time of the greatest excitement and quasi-war against France, nor when war was declared against England, in 1812. Since the motion of 1793, which, if brought to the test, would have been indignantly rejected, during the various periods when our trade was exposed to the depredations of one or both the belligerents, amongst all the devices and expedients proposed in order to avoid war, never was the iniquitous proposal of seizing property confided to the protection of our laws again suggested. And I trust that, whilst so much is said of what is due to the honor of the nation (how applicable to the present state of things is another question), such truly dishonorable act is not in contemplation.

The preceding observation is strictly correct with respect to seizures in time of peace, and is intended to show the gross impropriety of supposing that such seizures are a peace measure. I admit that they have sometimes taken place in time of war. Such was the sequestration by several of the States of the British debts during the war of independence. Russia also suspended the payment of the interest on a loan formerly contracted in Holland whilst she was at war with France, of which Holland had become a province. Yet these are not examples for imitation. The seizure without violence of property belonging to the offending government and not to individuals would, I think, be legitimate in some cases.

With respect to letters of marque and reprisal, if we were to judge of the act on the immutable principles of justice and in conformity with those which regulate the conduct of nations

by land, private war of every description must be disallowed altogether. But we are compelled, in this as in many other instances, to recur to the practice of nations, to their actual practice at this time, and not to what it was in Grotius's time, or even in that of Vatel; who has, by the by, often copied the first writer without attending to changes which had since taken place, and asserted doctrines which in practice were already obsolete. The change in this case has been produced by the progress of civilization, and may in fact be considered as an amelioration.

It is undeniable that at present general letters of marque and reprisal are war to all intents and purposes, that they are never granted but in consequence of an existing war, or as a way of making war without a formal declaration. Both the Seven Years' War and that of 1778, between France and England, commenced in that way, and were long so continued before war was actually declared.

It is equally true that special letters of reprisal granted to injured individuals and authorizing them to capture at sea an equivalent for their losses from subjects of the offending country, have fallen into entire disuse. Some cases may have escaped my notice; I recollect no one instance (in time of peace) since Cromwell. In short, the present practice or law of nations admits private war by sea (privateering) in time of war, never in time of peace, any more by sea than by land.

I must, therefore, say, in answer to your first queries, that at present nothing should be done; that when the time comes to act, the plan suggested by the President is inadmissible, and that we must then select between open and fair war or peaceable modes of obtaining redress. This leads to the consideration of your two last questions, which I am not so well prepared to answer. Yet there are some considerations connected with the subject, arising from my knowledge of France and of French affairs, which may, if I find time, be the topic of another letter.

I am, with the highest regard, dear sir, your most obedient servant.

Pray to remember me affectionately and respectfully to Mr. Adams.

GALLATIN TO EDWARD EVERETT.

New York, January, 1835.

Dear Sir,—Your two last queries involve the question whether, in case the French Chambers should again refuse to make provision for carrying the treaty into effect, resort should be had to war or to commercial restrictions. Much will depend on the motives assigned for such measure and all the circumstances under which it may take place. It is obvious that the two countries will, in that event, be placed in a most difficult situation; it is equally evident that, considered merely in reference to the amount claimed, war would be a most absurd measure. The question is only whether the national honor and character require such an appeal. A full and correct knowledge of all the facts belonging to the case is necessary in order to appreciate the nature and extent of the injury for which we must seek redress. Amongst these, the opinions and feelings of France, either with respect to this question, or towards America generally, the uniform construction given to her constitutional charter by the nation and by the government, and the good faith or want of sincerity on the part of that branch of it which made the treaty, are all subjects which deserve consideration. On those several points I will cheerfully communicate the result of my observations during my long residence in France, and the conclusions which I have drawn respecting recent occurrences.

The right of the United States to demand indemnity is founded, 1st, on the intrinsic justice of the claim, which admits of no doubt; 2dly, on the treaty of compromise, by which the faith of the French nation may be presumed to have been pledged for its performance.

A refusal by the Chambers to grant the money will be at least a denial of justice; it will, moreover, be a breach of public faith if, according to the constitution of France, the legislature is bound by the treaty. And this is such an aggravation of the injury, that it is proper to inquire whether that body is justly liable to that charge, whether the offence consists in a prolonged denial of justice, or in a positive breach of public faith.

In every constitutional government the power of raising and granting money is vested in the legislature; that of making treaties, in the executive. In every such government the question may arise, whether the treaty-making power is, in every instance, paramount, and imposes on the legislature the duty of granting without examination the money necessary to pay the subsidies or indemnities promised by the treaty; or, whether the *power* of granting money, vested by the constitution in that body, does not necessarily imply the *right* of examining and deciding each case according to its original merits.

The present Administration of the United States is of opinion that here the treaty-making power is paramount. It may thence have been too hastily inferred that that power was in France also acknowledged to be supreme, and to pledge absolutely the legislature and the nation. There may be in the Constitution of the United States some clauses not to be found in that of France, which sustain the construction adopted by our Executive magistrate. But even in the United States the question has been considered, at least, as doubtful.

Mr. Madison's resolution of the year 1796, which asserts the abstract right of the House of Representatives, was adopted by a majority of the House, and remains, unrepealed, of record on its journal. And it cannot be denied that, during the sixteen years of the Administration of Presidents Jefferson and Madison, that was the avowed construction of the Constitution by the government of the United States. It is not necessary here to inquire whether that construction is correct. I may not be an impartial judge of that question, and only mean to show that, even here, it is one on which opinions have been divided.

In framing or construing her modern monarchical institutions, France has naturally drawn her views much more from British than from American precedents. I am much mistaken if the theory and practice of Great Britain are not in accordance with the principles asserted in Mr. Madison's resolution. Thus, it has ever been held there that the power of withholding supplies was the constitutional check on that of making war, which belongs to the King. If it has become an admitted principle that there is an absolute necessity that the Ministry should have a

majority in Parliament, it is solely because, ever since the revolution of 1688, the absolute and uncontrolled power of that body on grants of money has never been called in question. That principle and the substitution of *influence* for the prerogative claimed by the Stuart dynasty have, indeed, with respect to supplies, converted the power of refusal into a preventive remedy. But the power remains, and no distinction has been attempted between the power and the right. A treaty of commerce cannot of itself, in Great Britain, alter or repeal a single provision of an Act of Parliament. The most scrupulous care has been taken that the slightest alteration resulting from such treaty should always be sanctioned by a statute. These abound with such provisions; and in one memorable instance at least,—the commercial treaty of Utrecht with France,—the refusal of the House of Commons to pass the necessary laws prevented its execution without this having been complained of by the other party as a breach of public faith, and without it having been considered, by any English historian or publicist that I know of, as such, or as an usurpation on the part of the House of Commons. Much praise has, on the contrary, been bestowed by some authors on that body for its conduct on that occasion. (See Anderson's History of Commerce, year 1812–1815. I quote from memory.)

The truth is, that in questions of this nature which may be susceptible of doubt, although there may not be any essential difference in the manner or terms in which certain specific powers are distributed and defined, the practical construction will not be the same in all countries, and will principally depend on the relative situation in which the legislative and executive branches of the government are, upon the whole, placed by the constitution. The powers vested in the popular branch will receive a more extensive construction and be exercised more freely in proportion as there is more danger from an uncontrolled exercise of the powers belonging to the executive. In the United States, the treaty-making power is placed in a chief magistrate, elected by the people for a short period of time. And the consent of two-thirds of one of the branches of the Legislature, necessary for the ratification of any treaty, may, in the opinion of many,

be presumed to afford as good, if not a better guarantee than a bare majority of both Houses, against any possible abuse of power by the President, whilst it avoids the inconveniences arising from the opposite construction.[1]

In France, constitutional law commences with the restoration; for till then the will of Bonaparte was law. And under what auspices, and on what conditions, did it commence? According to a charter *granted* by the King, the power of making treaties was left exclusively, and without the co-operation of any other political body, in the hands of a monarch who claimed the crown by the divine right of legitimacy, who was placed on the throne, contrary to the will of the people, by the superior force of foreign conquerors, whose first object was to preserve his precarious power, and whose interest in forming treaties with his protectors might be in direct opposition to that of the nation. By the same charter the King reserved to himself the power, amongst others, of originating all laws, and, under the name of ordinances, to enact (independent of the pretence thereby afforded for a direct violation of the charter) by his sole authority all those administrative measures and regulations which occupy so large space in the legislation of Great Britain and of the United States.

Exemption from the conscription, liberty of the press, personal liberty, security for the purchasers of confiscated property, some amelioration in the law of election, were indeed promised by the charter. But what was the guarantee for the performance of those or any other concession contained in it? What substantial constitutional power was given or left to any political body in the state which might, in any shape whatever, secure those granted rights and protect them against the will and power of

[1] For my own part, though I would not part with the power in the abstract, I am quite willing to waive every discussion on the subject, and that the power should lie dormant, operating at all times as a preventive; being well satisfied that it would be exercised in the most improbable case of a treaty totally subversive of existing laws (say a treaty with England abolishing our tariff on woollen manufactures), or highly injurious or disgraceful to the United States (a subsidy to Russia against Poland), being ratified by the President and Senate.

the King? One, and one only, that of raising and granting money; a power also which had, from the foundation of the monarchy, ever been claimed by the nation, and the exercise of which by the King had ever been viewed as an usurpation, and was the proximate cause of the revolution of 1789.

It is not, therefore, at all astonishing that the French Legislative Chambers should have clung to the free and in every respect uncontrolled exercise of that power as to their only anchor of safety; and that in their discussions they should make no distinction between projects of law granting money, whether their object be to provide for ordinary expenditures, or to enable the King to carry into effect a treaty of subsidy or indemnity. To this right or pretension, whether willing or unwilling, Louis XVIII. was too wise to make any opposition. The first appropriation arising from treaties for which he was obliged to apply was, in 1819, for 700 millions of francs, substituted, by the convention of Aix-la-Chapelle, for the unliquidated indemnities promised by the treaties of 1815. And he well knew that in order to obtain it peaceably he must let it be the free act of the Chambers; free in reference to his own powers; for, in fact, it was both with him and them a compulsory measure.

The reigning monarch may, indeed, be less obnoxious than those of the elder branch of his dynasty. There might be less danger, under the amended charter, in allowing him a greater latitude in the exercise of the power of making treaties. But he cannot claim himself any greater than was exercised by his immediate predecessors. It would have been an act of madness on his part to have addressed the Chambers in the tone used by the President or by Mr. Livingston, and to have told them that they and the French nation were bound by the obligations he had contracted, and would be guilty of a breach of public faith if they did not fulfil his engagements. The unanimous cry would have arisen in the Chambers and been re-echoed by the nation, "Are we, then, like the Parliament of old, only a court of record for registering the edicts of the King?"

But, whatever causes may be assigned for it, the fact is indubitable that the absolute right as well as power of the Chambers to enter into the merits of the case, and to decide on the propriety

of granting or refusing an appropriation necessary to carry a treaty into effect, has never been called in question since the restoration; and that, if a payment of money is required, the national faith is not considered as pledged until the sanction of the Chambers has been obtained. I never heard the opposite doctrine asserted in France. I never met any Minister of the King who held a contrary opinion, and who did not, when conversing on our claims, consider the expected opposition of the legislature as the great but legitimate obstacle to an arrangement.

I need not, however, appeal to my own knowledge of the fact. It is proved beyond contradiction by the whole tenor of the correspondence, either at Paris or at Washington, and by that of the debates of the Chamber of Deputies. Mr. Rives was repeatedly forewarned of it; Mr. Serurier confirms it. The Duke of Broglie, judging also by analogy, has no doubt that the same doctrine prevails at Washington in reference to our own Constitution. In the Chamber, Dupin the elder, the President and first constitutional lawyer of France, takes care to remind the Chamber that its right is entire, absolute. All the King's Ministers present silently acquiesce in the doctrine or acknowledge it. Berryer, an ultra-royalist, who openly declared that he acknowledged no king *de jure* but Henry V., assimilates the power of the Chamber, in relation to treaties, to that of the Senate of the United States. Quotations, indeed, are unnecessary. No unprejudiced man of candor, whose mind is not warped by an erroneous analogy, can read those debates without being fully satisfied that all the speakers consider the subject as entirely open, themselves as not in the slightest degree bound by the treaty, and the public faith as not pledged until the sanction of the Chambers has been obtained. I am not aware that, amongst all the numerous French newspapers of various colors, a single paragraph has appeared breathing a different spirit, and maintaining that, whether the sum required was justly due or not, the engagement contracted by the treaty made it incumbent on the Chambers to provide the amount.

I cannot perceive any interest we have in trying to make the case appear worse than it really is. It is surely sufficiently offensive as a national denial of justice, and this defended, at

least in part, as has been done by Mr. Bignon, by arguments worthy of the school to which he belongs, and which add insult to the injury. Nor, whilst I assert what the constitution of France actually is, do I mean to justify the French Chambers, even independent of the intrinsic justice of our claim, for overlooking the consequences which, under any form of government, must flow from the rejection of a treaty ratified according to the usual forms, and for their habitual interference in discussing the merits of every treaty, instead of reserving the exercise of their constitutional power for cases of sufficient importance to require it.[1]

I had written so far when the report of the committee of the Senate reached this place. That dignified state paper supersedes almost entirely the necessity of justifying the good faith and sincerity of that branch of the French government which made the treaty. It must, in that respect, satisfy every person who is *compos mentis;* and I will only add one observation, which to me, from the beginning, was conclusive.

Had it been the intention of Louis Philippe to get rid of an annoying claim without encountering the opposition of the Chambers, had he not been sincerely disposed to make a prompt, final, and equitable arrangement, instead of contracting for the payment of a specific sum of money he had nothing more to do than to insist on the proposition pending between Mr. Rives and

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[1] Please to observe that, in 1796, the true ground of opposition to the treaty with England was the belief that the recognition by treaty, and pending a war between France and England, of the right of the British to capture French property on board of American vessels, whilst British property in similar situations was by our previous treaty with France protected against capture, and the acknowledgment that provisions might in any case be considered as contraband, were a breach of neutrality and pledged faith, and must lead to a rupture with France. Whether right or wrong, the subject was one of primary importance, and involving the whole foreign policy of the United States. In the present instance all the speakers in the Chamber of Deputies agree that an indemnity is due; they differ only as to the amount; and it is for the sake of a miserable sum of two millions of dollars that the Chamber refuses to carry the treaty into effect. Depend upon it, there is another motive than any of the reasons ostensibly assigned for that extraordinary vote.

Prince Polignac for submitting the whole subject to a mixed commission. You know that these modern commissions are all on the same model as that which sat at Washington for settling the indemnity due by Great Britain to citizens of the United States on account of the slaves carried away in violation of the Treaty of Ghent,—two commissioners and two arbiters, one of each denomination appointed by each party, and who are sure never to agree. I do not know of a single one that ever came to a final decision, or did not end in a compromise. One of this character, on such subject (particularly if the question respecting the contested article of the Louisiana convention had been connected with it), would not have terminated its labors in ten years, and then have left the affair, on all contested points, as unsettled as when the commission was first instituted.

But although the King is entirely free of any charge impeaching his sincerity and good faith, I do believe that, if he had been fully apprised of the public sentiment on that subject, he would not have signed the treaty. He is a man of great firmness, but very cautious, and has no wish to increase more than is absolutely necessary his foreign and domestic difficulties. The first proceedings in the affair appear also to me to have been unwise. Instead of referring the question of the amount of indemnities justly due, to his own Ministers or to a commission taken from amongst the Counsellors of State, he chose to submit the subject to a selection of members of the Chamber of Deputies. Having done this, he ought either to have declared his inability to allow more than the sum reported by the majority, or have obtained an adequate appropriation before he signed the treaty. I have no doubt that the report of that commission proved fatal to the project of law rejected by a majority of eight votes; that is to say, that it was used as a powerful weapon by the opposition, and produced an effect on a number of members sufficient to turn the scale. Some other objections, applying also to details, had the same tendency. The French government has since taken uncommon pains to collect all the documents necessary to repel all those of that character; and there was, I think, a fair prospect, before the President's message, that the necessary appropriation would have been voted by the Chambers during their

present session. A strong though unsuccessful opposition must have been expected, and one that lies even deeper than appears on the face of the debates.

There was during the whole period of my residence in France (1816–1823) an almost universal opposition to the payment of our claims, embracing all the parties and the great mass of the nation. The Bonapartists, or friends of the Imperial regimen, at that time a majority of the people, justified every act of the Emperor, and strenuously opposed the reversal of any of his decisions. Every payment for indemnities is a reproach to them, is viewed as the fruit of the Imperial policy, and tends to sink them in the public opinion.[1]

The ultra-royalists openly maintained the doctrine that the Bourbons were not liable for the misdeeds of the *usurper;* and although they dare not now avow that opinion, the disavowal is only on their lips; they seek for some other pretence, and generally vote in conformity with their internal conviction.

And both parties, together with the Republicans, united in a feeling common to the whole nation, that of considering the payment of every species of indemnity as an extortion imposed upon them by superior force and conquest.

The only exceptions consisted of La Fayette and half a dozen of his most intimate and personal friends, of some intelligent merchants, of a few other men of elevated feelings (chiefly doctrinaires and moderate royalists), and finally of the King's Ministers, who, compelled by their situation to take a more comprehensive view of the subject, saw the necessity of settling it, and would have been generally disposed to make a compro-

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[1] You may perceive how careful, even at this day, government itself is to maintain the principle. In arranging the indemnities under certain heads, they have rejected every class embracing actual condemnations however unlawful, hardly daring to accept the cases where the claimants could have had no notice, and the condemnations made subsequent to the repeal of the obnoxious decrees. There seems to have been a singular and pertinacious adherence to that principle of "Res adjudicata." Even in the Louisiana convention, where it would have seemed immaterial to France to what class of claimants the 20 millions of francs should be paid by the United States, final condemnations are also expressly excepted. Bonaparte wanted no precedent that might hereafter stand in his way.

mise, provided it could be done without involving them in a contention with the Chambers.

Time has undoubtedly lessened that general opposition and smoothed the difficulties arising from that source. Yet the most prominent orators of the opposition are still the most talented and influential leaders of the several parties: Bignon, the very personification of the Imperial regimen; Berryer, the organ of the Carlists or ultra-royalists; Manguin, the true representative of the radical Republican party.

But the payment of our indemnities is at this time so clearly a spontaneous act on the part of the French government, the amount on which the question turned so insignificant, the importance of settling finally our claims so obvious, that I cannot think that those intelligent men would have thought it worth while to make an appeal to public opinion, and to unite in such firm and formidable opposition on this occasion, for the sake only of preventing that payment. It cannot be doubted that, however different the ultimate views of the three great parties to which I have alluded may be, the immediate object of all is to overthrow the present dynasty; and to that cause, more than to any other, I am inclined to assign the resistance of the Chamber. The difficulties which the government of France has to surmount in this instance are, at all events, great and obvious. And this consideration ought to have had, and still to have, great weight in the final decision of both the Administration and Congress.

I would not wish to be understood as intimating that the members of the opposition, whilst trying to increase the embarrassments of the King, contemplated hostilities between the United States and France. I believe that no one there, and very few, if any, in America, had dreamed, before the tenor of the President's message was known, that the refusal of the Chambers was likely to produce that effect. Although all the facts belonging to the case, save only such as might tend rather to mitigate than to inflame the public feeling, were as well known six months ago as when Congress met, yet the necessity or probability of a war arising out of that state of things had been nowhere suggested. If any such feeling now exists in any part of the country, it is purely artificial, and had its source

in the usual acquiescence in General Jackson's opinions. In France, all the allusions, all the apprehensions, whether of public men or of private individuals, were confined to the prospect of commercial restrictions.

What effect the President's message may produce in France we can only conjecture. You must, of course, act, so far as it is necessary for you to act, on the supposition that it will, at least, cause a suspension of any further proceedings on the treaty; and all your preparatory movements should be with a view to that event. From all I know of France, and from the situation of parties by the last advices, I think that result extremely probable. But the French government will do all in its power to avoid an open rupture; and, notwithstanding the great susceptibility of that nation, I think that a war with the United States would be very unpopular.

If the admission of our claim was universally opposed, I may affirm that the opposition was confined to that object, that it must be ascribed to the causes already assigned for it, and that it did not arise from any hostile disposition to the United States. On the contrary, an universal most friendly feeling for America prevails in France such as does not exist towards any other nation, pervading the whole country, embracing all parties, without excepting those most opposed to our claims, extending from the Crown to the peasant. The single fact, and it was in every respect a most fortunate event, that the United States should have continued to wage war, single-handed, against Great Britain, after France had been subjugated, whilst it raised their character in Europe to its proper standard, gave them in the eyes of the French people the appearance of solitary and faithful allies fighting for the same cause. Even the royal family participated as Frenchmen in the general feeling.[1]

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[1] The Duchess d'Angoulême, on a public day, asked me whether Spain had ratified the Florida Treaty. On my answering in the negative, "Ce sont les Anglais," was the instantaneous reply. This was said in the hearing of the whole diplomatic corps. I had not thought it worth while to mention this anecdote in my correspondence. The British ambassador wrote it to his government; Lord Castlereagh spoke of it to Mr. Rush; and he communicated it to the Department of State. I must say, however,

The war of the independence was the only great event, during the preceding seventy years, from which that unfortunate family had derived any honor or glory. Ascribing, undoubtedly, much more than its just and legitimate share to the assistance received from France, they considered the great republic as almost the work of their hands, and viewed with complacence and interest its welfare and growing prosperity. This was not confined to expressions of good will and ordinary acts of courtesy towards citizens of the United States: it was manifested by the general tenor of the acts of government.

With a perfect knowledge of the superiority of our navigation, and notwithstanding the representations of their shipping interest, they yielded, though with reluctance, the question concerning the equality and ultimate repeal of discriminating duties,—a measure which has given to America almost the whole of the maritime commerce between the two countries, and rendered nugatory for the time the Louisiana privilege. They lent their good offices and interfered with efficacy in our negotiations with Spain for the acquisition of Florida. Mr. Hyde de Neuville was specially instructed to that effect; and they continued afterwards their active exertions in Spain in order to induce Ferdinand to ratify the treaty. (It was on that occasion that the Duchess d'Angoulême made the speech above stated.) I may say that in doing this the King's government was not more induced by the belief that it was the interest of Spain to conciliate the United States than by a wish to make some compensation to America for the disappointment experienced in the indefinite postponement of our claim for indemnities.

You may say that there is an apparent contradiction between what I state of the light in which we were viewed by the French people, and their confounding the indemnities we claim with those which were clearly extorted from them. I admit it; but the facts, as I have stated them, are in both respects, nevertheless, strictly true. The indemnities paid to the subjects of the allies, though of a different nature, were, with the exception of

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that the French government was shy till after we had made peace with England.

those allowed to British subjects, as much founded in justice as those claimed by the Americans.[1] Without certainly meaning to apply the observation to individuals acting in their individual capacity, it may be that there is more of generosity than of justice in the French character as a nation. I verily believe that they would at all times rather give than pay twenty millions. Is this peculiar to the French government?

It cannot, upon the whole, be denied that, setting aside this unfortunate question, the United States and France are placed in the most enviable relative situation. No question of boundaries or territory; no maritime, commercial, or manufacturing rivalship; an extensive, growing, and mutually advantageous commercial intercourse; on all great political questions a community of interest and of opinion; reciprocal friendly feelings; and yet no entangling alliance, nor anything in their relations with each other that can affect those which either of them entertains with other nations. A war between two countries thus situated would indeed be a most lamentable event.

You ask, if it should unfortunately take place, my opinion of

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[1] Great Britain made a separate treaty, and obtained 3 millions sterling for indemnities to British subjects, principally on account of the loss arising from the Act of Bankruptcy, which reduced the French public debt to one-third of its nominal value; a bankruptcy of a general nature, and not at all directed against British stockholders in the French funds. On my representing to the Duke of Richelieu how unfounded was that claim, and how unjust, after having allowed it, to deny the payment of ours, he replied that France had received an equivalent in the abandonment by Great Britain of her claim for the support of French prisoners, the balance of whom, for ten years, had been greatly in her favor. This was pretence; that sum was a pure extortion, to which France was compelled to submit. After satiating every possible claim, it left about half a million in the hands of the British government.

There is some foundation for the apprehension expressed in the Chamber of other claims being brought forth against France. That of Denmark is perfectly just, about 15 millions of francs for supplies to the French army during a German campaign. The Russian ambassador in France, some years after, when the three countries were on a very friendly footing, interfered with Bonaparte in order to obtain payment. Give them, he said, a very civil answer,—that I will examine the claim, &c. "Mais on ne paye jamais ces choses-là, n'est-ce pas?" The ambassador, Count Romanzoff, related this to me.

its character and effect. You certainly are as well informed in that respect as I can be. It will be confined to naval operations and afford to our navy new opportunities to distinguish itself. We cannot derive any other advantage from it. Our cruisers will be more active and skilful, but our commerce is much more extensive and more exposed. The captures by either party will not remunerate him for his losses. Which of the two will be the greatest loser I will not pretend to say. The commerce of both will be impaired to a degree which no one can calculate. We employ 260 vessels, measuring 100,000 tons, in the fisheries of the Pacific. I should think that, during the war, not a single vessel would be fitted out for that purpose. The great mass of our commerce is with Europe, in the vicinity and within the reach of France, the ports of which we cannot blockade. The danger to which it would be exposed from her cruisers must so increase the rate of insurance as to throw the greater part of it in the hands of neutrals. I presume that that of France with foreign and principally distant countries will share the same fate. The commercial intercourse between the two countries will be greatly lessened, if not nearly annihilated; and what may remain must necessarily be indirect. The unavoidable consequence of that state of things will be a great reduction in the price or quantity (or both) of all our agricultural and exportable products. The manufacturing industry of France may, perhaps, be affected still more seriously than our agriculture.

What is most certain is that both countries will be great sufferers, that the progressive prosperity of both will be retarded, and that their joint folly will enrich other nations at their joint expense.

In a political point of view, every loss, by either party, of vessels and seamen will increase the relative maritime power, not of the other party, but of Great Britain, in whose hands also the greater part of the commerce lost by both will fall. We may also have the chance of soon finding ourselves if not in alliance yet co-operating with the Holy Alliance, and indirectly assisting the cause of despotism against that of freedom. I am under strong apprehensions that the moral effect of this war will be most unfavorable, not only as regards our foreign relations,

but to our own internal concerns, to our institutions, and to our Union. Peace must at last be made, on what conditions no one can predict; although it is most certain that neither party will be able to dictate its terms. Many years must afterwards elapse before the same friendly relations as now exist between the two nations can be restored.

As respects your other query, I must say that I am very averse to restrictive commercial measures for any purpose whatever. Experience must have taught us, beginning with the non-importation restrictions and agreement which preceded the war of independence, and ending with the various non-intercourse laws which were enacted between December, 1807, and June, 1812, how inefficient measures of this description generally are for the purpose of forcing another country to alter its policy. It is true that they may occasionally offer a pretence for it when that country already wishes to do it and only wants a pretence. Had the official notice of the repeal of the Milan and Berlin decrees (for which repeal some one law of ours had afforded a pretence) reached England two months earlier, it may be that a timely repeal of the orders in council would have prevented the war. Sometimes also, if restrictions can be applied immediately to the object in dispute (a retaliating tonnage duty), so as to operate as direct reprisal, they may prove effective. In the present instance they cannot be so applied, and I would doubt their efficacy towards obtaining a prompt execution of the treaty. It would have been much preferable to have been fully aware of the great and intrinsic difficulties which stood between the signing of the treaty and its being carried into effect, and instead of increasing these to have used some further forbearance, and, without recurring to any coercive or restrictive measures, to have suffered the King of the French to manage the affair in his own way with the Chambers. Had that course been pursued, there is no doubt that he would have continued to make every exertion for obtaining their assent; and I am confident that the treaty must infallibly have been ultimately ratified. The fundamental error, on the part of our government, consists in not having been sensible that, in the present situation of France, the real power is not with the King, but with the popular branch.

But the blow has been struck; and it is not at all certain that the vote of the Senate and that of the committee of the House will counteract the effect of the President's message. The situation in which Congress was placed by it compelled the committee of the Senate to allude to consequences which, when practicable, ought to be understood without ever being expressed. The public sentiment of your late chairman, "We must have justice, or we will have war," is the threat direct, and will reach France together with other similar declarations. It cannot be expected that the communications or explanations of the only official organ of the United States with foreign nations will be very conciliatory. It may be that it will be morally out of the power of the King to continue his exertions; and, hoping still for the best, a suspension of the proceedings on the treaty may be expected.

It is in that case, and as a means of preventing actual war, that a resort to restrictive measures, if accepted as a substitute, will be proper, if not necessary; and I think that, with a view to that contingency, every effort should be made to prepare and conciliate public opinion to that course. Those measures are, in fact, better calculated than war to produce a final execution of the treaty; and they will, without affecting us essentially, if devised with skill, inflict on France a well-deserved chastisement and an injury nearly as serious as war itself. The debates of the Chamber of Deputies will furnish some valuable hints; and, without entering at this time into details, I will only observe that, in the present state of France, silk and generally the Lyons and Paris manufactures are the most sensitive branches of her industry.

The commercial convention may stand in the way of restrictions applying exclusively to France. The United States have the right to say that the non-fulfilment of the late treaty on her part absolves them from any obligation growing out of a former compact. I would prefer to annul it by giving, according to its tenor, six months' notice.

War would abrogate the late treaty. If any measures short of war are adopted, there can be but one opinion on one point, —the United States must adhere to the treaty as it is, and insist on its execution. The abandonment of the right, or privilege,

reserved by the Louisiana convention in favor of French vessels, is to the United States a most important condition; the more so as, being indisputably a condition annexed to the cession, it would not be abrogated by war. Construe it as you please, it is a most inconvenient perpetual privilege, which interferes with the absolute right of sovereignty, may at any time be used as a weapon to annoy, and would afford a perpetual subject of litigation. Care should be taken, in laying restrictions, not to impair by any act of ours that essential condition of the late treaty which abandons the privilege for an equivalent advantageous to France and not inconvenient to the United States.

The main question still recurs, Does a proper sense of what is due to national honor and character require a resort to arms, to the exclusion of milder means? A correct decision cannot be made until the final determination of France, the motives for it, and all the circumstances accompanying it, shall be known. At present only general views of the subject can be presented.

The general position assumed by the President, and apparently sustained by Judge Wayne and others, is, that whenever a nation has a claim clearly founded in justice, as that in question undoubtedly is, and justice is denied, resort must ultimately be had to war for redress of the injury sustained. This, as an abstract proposition, is wholly untenable, supported neither by the practice of nations nor by common sense. The denial of justice gives to the offending nation the right of resorting to arms, and such a war is just so far as relates to the offending party. But to assert that a nation *must* in such case, without attending either to the magnitude or nature of the injury, and without regard either to its own immediate interest or to political considerations of a higher order affecting perhaps its foreign and domestic concerns, inflict upon itself the calamities of war, under the penalty of incurring disgrace, is a doctrine which, if generally adopted, would keep the world in perpetual warfare, and sink the civilized nations of Christendom to a level with the savage tribes of our forests.

What a nation never can submit to without disgrace is insult, aggressions characterized by violence and the use of force and not atoned for, repeated and continued violations of the law of

nations, though not accompanied by actual force and effected under color of law. It may and has the right, without any degradation whatever, when the injury is neither of that character nor of an extraordinary importance, to select for redress its own time and the means which it may deem best adapted to the occasion and most consistent with its own interest.

In the present case, the outrageous acts in which the claim originated would not only have justified war at the time, but it has been doubted whether the forbearance used then was entirely free of reproach. France is responsible for France, the present generation for that which is past, the existing government for that which preceded it. But that responsibility extends only to the payment of damages for former wrongs; of the wrongs themselves the present government is entirely innocent. The injury now done is the refusal to pay a most just debt, now liquidated by the Executive, and which he has by a treaty promised to pay. That refusal will render legitimate any means America may think proper to adopt for redress, without excepting war itself. If not accompanied by insult or such aggravating circumstances as leave no other resource, the refusal does not impose upon her the necessity of resorting to an appeal to arms.

I really do not know of any instance, at least in modern times, of a nation resorting to war for a cause of that character, or considering it disgraceful to select, in analogous cases, her own time and remedy.

About the year 1745, Frederic of Prussia, then a neutral, on a frivolous pretence—a claim on his part that neutral vessels should not, when captured for a presumed violation of fair neutrality and of belligerent rights, be tried, according to universal usage, by the courts of the belligerents[1]—sequestered and suspended the payment of interest on a loan formerly made by British subjects to Austria, for which the revenue of Silesia was pledged, and the payment of which by him, as a charge on

[1] See the vindication of the belligerent right by Mr. Murray, since Lord Mansfield, then solicitor or attorney-general. This, by the by, is the last instance, I believe, of seizure by a government of private foreign property in time of peace; and Frederic will not be appealed to as a model for imitation in whatever relates to the law of nations.

that province, was an express condition of the treaty by which Austria had ceded it to him. Great Britain, which is not in the habit of tamely submitting to injuries, did not deem this act a sufficient cause for any hostile measures or reprisals. She only protested and remonstrated, and patiently waited the proper opportunity of obtaining redress. This was afforded ten years afterwards by the approaching storm which threatened the existence of Prussia. A treaty of subsidy was concluded with her on the eve of the Seven Years' War; and, as a preliminary condition, Frederic was made to pay the arrears, interest, and principal of the Silesia loan.

On reviewing the course of proceedings subsequent to the ratification of the treaty, I can find but one real cause for complaint. No efficient steps were taken by the French government, during the year 1832, for obtaining the requisite appropriation. If that delay was owing, as there is every reason to believe it was, to the lessened popularity of the King and to a much greater opposition to our claim being found to exist in the Chambers than had been anticipated, both which required great circumspection on his part, he ought immediately, and without waiting for the day of payment, to have communicated the fact to the government of the United States. It is the first duty of a debtor, if unforeseen circumstances prevent the punctual fulfilment of his engagements, to give immediate notice of his situation to his creditor, and to ask a further delay. A free and candid explanation of the causes which rendered it impossible for the French government to comply with its engagement as soon as it had bound itself by the treaty to do, would in all probability have been received in the same spirit which dictated the communication. The sincerity and earnestness with which the subject has since been pressed by that government is the only apology which can be made for its conduct on that occasion.

The treaty itself, concluded and ratified in the usual form, is, however, the important fact which, converting the simple demand for the settlement of an unliquidated debt into a positive engagement, has placed the two countries in a critical situation. The greater part of this communication consists of facts and re-

marks connected with that subject. I have but one observation to add in relation to it.

The non-compliance with the conditions of a treaty, whether proceeding from the executive or legislative branch of government, does not alone, and when neither arising from a hostile spirit nor accompanied with insult, afford such extreme ground of complaint as to impose on the aggrieved nation the necessity of considering that act as an indignity, and of resorting to war as the only alternative for sustaining her character. The refusal of the British House of Commons to carry into effect the commercial treaty of Utrecht with France has already been alluded to. I beg leave to remind you of another instance.

By the treaty of 1794, between America and England, the United States bound themselves to pay to British subjects the amount of the British debts which had been lost by reason of laws passed by several States in contravention of the provisions of the treaty of 1783. And it was expressly provided by that of 1794 that the amount thus payable by the United States should be definitively settled by a joint commission consisting of four members, and, in case of disagreement between these, by a fifth commissioner, chosen by the four primitive members of the board.

That commission was accordingly organized, and held its sittings in Philadelphia. The lot favored the British commissioners in the choice of the fifth, who is believed to have in every instance of disagreement decided in their favor. The American commissioners contended that his decisions embraced cases not fairly embraced by the treaty. This might, in point of fact, be true; but it was a question the ultimate decision of which belonged, according to the treaty, exclusively to him, and was not at all, nor could, without defeating entirely the object of the treaty, have been, left to that of either party.

Nevertheless, in order to prevent the payment by the United States of a larger amount than what it thought to be justly due, the government of the United States chose to run the risk of not complying with the terms of the treaty. Contrary to its stipulations, the two American commissioners (Messrs. Sitgreaves and Fitzsimons) did, with the approbation of the President, with-

draw themselves and refuse to attend any more the sittings of the board, thereby breaking the commission (and with it the engagement contracted by the treaty), since there could no longer be any decision by a majority of the four commissioners, nor any disagreement, nor, therefore, any question brought before the fifth for his decision.

This proceeding, which indeed appeared to me very strange at the time, was not certainly believed by our government to be one of an offensive nature. Though considered by Great Britain as an infraction of the treaty, she simply retaliated by suspending in the same manner the proceedings of the commission for the settlement of the claims arising from depredations on our commerce. Had she viewed it as an indignity offered to her, she would have resented it by means of a very different nature. So far was England from considering it in that light, that she finally consented, some years later, not to insist on that condition of a treaty duly made and ratified, and agreed, by a new convention, to accept in lieu thereof £600,000, or less than one-third part of what would have been allowed by the Philadelphia commission.

In this instance there was no extraneous impediment to the execution of the treaty. It was a voluntary act on the part of that branch of the government which had made the treaty. But I mean only to infer that there is nothing so very unprecedented, alarming, or heinous in a simple non-compliance with the terms of a treaty of indemnity, when it is not attended with offensive circumstances and is accompanied with proper and conciliatory explanations.

There is no evidence that public opinion is such at this time as to compel the representatives of the people to pursue a course so fatal to the general interest of the United States as a war with France would be. I have witnessed at the time of the publication of the X. Y. Z. correspondence, when the outrageous attack on the frigate Chesapeake took place, and on several other occasions, and I know how a spontaneous public excitement manifests itself. Though it may occasionally be carried too far, it is always, when a foreign country is concerned, a proof that some insult has been offered to the nation. The complete apathy

which prevailed long after the refusal by the French Chamber to comply with the treaty was universally known, and till the President's annual message to Congress, is a strong evidence both of the unbiased public opinion on that subject, and that there was nothing in the transaction which affected the honor and character of the nation.

But the feelings of the President are strong, and he is persuaded that both he and the country have been insulted. A suspension by France of further proceedings on the treaty on account of his message will be particularly mortifying to him, and may create a kind of personal quarrel. His popularity and influence are great; a cry may be set up that the honor of the nation requires that the President should at all events be supported. False as this notion is, party ties are most difficult to shake off; and whenever a question arises relating to our foreign concerns, men, apprehensive of being suspected of want of patriotism and foreign partiality, are often carried much beyond their own conviction of what is just and proper on the occasion. I am not acquainted with the opinions, detached of party considerations, of the Representatives of this city, which has so much at stake. But I do know that there is no excitement here, and that, if they think it right to pursue the pacific course, they will be sustained by their constituents, without distinction of party.

Even amongst those public men who look on a war with France as a public calamity, I apprehend that there are some of most patriotic, honorable, and elevated feelings, alive to all that can affect the national character, and who, well remembering the situation of the United States before the war of 1812, may be impelled more by recollections of the past than by a view of the rank which the United States now hold in the public opinion of the world.

Without entering into details familiar to all, I am ready to admit that, partly owing to an early and unfortunate submission in practice (for the right was always denied), first to British impressment and gradually to the other encroachments and violations of the law of nations by the belligerents, partly to the real difficulty of deciding against which of them war should be de-

clared,[1] partly from a too great anxiety on the part both of the people and of government to preserve peace at all events, temporary and varied expedients were for several years resorted to, which had a tendency to lower the United States in public opinion, and to impress a belief abroad that they would submit to almost any infraction of their maritime rights rather than to resort to war. I need not dwell on the total want of analogy between the two cases, and the immense difference between the outrages committed by both the belligerents at that time, outrages which had not ceased and were still of daily occurrence, and the present conduct of France.

But I do insist on the undeniable fact that the national character has been entirely redeemed by the last war, and that at this time no country is held by all foreign nations and governments in higher respect and consideration than the United States. The chivalric spirit with which, with six frigates, they commenced, the undaunted bravery, superior skill, and unexampled success with which our heroic navy sustained a maritime war against the gigantic power of Great Britain, the most fortunate course of events which left America to contend alone with that country and to make peace, without the slightest foreign aid or countenance, on equal and not dishonorable terms, and the splendid exploit with which General Jackson crowned the contest, have all contributed in producing that honorable and invaluable result. Though not numerically so, the United States are considered as the second naval power of the world. There is not the most remote danger either that the conduct of France should be viewed as an insult to the United States, or that their adopting peaceable measures should in the slightest degree affect the national character. It may with absolute certainty be relied upon that forbearance will universally be ascribed to the proper cause, "the wisdom of our public councils," and in no quarter whatever to the want of bravery, spirit, or resources.

It is time that I should terminate this long communication,

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[1] See for the best exposition of the views of government, though I say so, the report of the Committee of Foreign Relations of the House of Representatives, year 1810, I believe, commonly called "*Campbell's Report.*"

which has been several times interrupted by indisposition or pressing avocations. I do not wish for notoriety, and have no desire of appearing in print on political questions. But I have nothing to conceal, and, if you believe this letter contains any facts or remarks which may be of some use, you are at liberty to communicate its contents to any person you may think proper.

Accept, &c.

I have spoken of the relative power of the King of France and the Chamber of Deputies. A single vote of theirs, as it crowned him, would in twenty-four hours dethrone him. And our Executive writes him a lecture on the extent of his constitutional powers.

GALLATIN TO GALES & SEATON.

New York, 5th February, 1835.

Gentlemen,—I have seen and thank you for two very friendly articles in the National Intelligencer on the subject of the redemption of the public debt. Your allusions, however, to Mr. Lowndes's law, and to a report of mine of the year 1802, make me apprehensive that you attach more importance to matters of form than they deserve. I presume my report to be a letter to the Committee of Ways and Means; and, if my recollections are correct, that the object of this and of Mr. Lowndes's bill was the same,—mine to simplify (which was all that at that time could be done) and his to repeal altogether the mystifying and useless machinery with which Mr. Hamilton had, in imitation of Mr. Pitt's sinking fund, encumbered the very simple subject of paying the debt. But neither that which I then proposed in that respect, and which was sanctioned by Congress, nor Mr. Lowndes's act, if I have not mistaken one law for another, had any other effect but that just mentioned; and neither of those measures have accelerated by a single day the final redemption of the public debt.

This could be effected by no other means than by an existing and constant surplus of income over the current expenses, and

by a constant and tenacious application of that surplus to the payment of the principal. It is what was done from 1801 to 1812, and from 1816 to 1834. I have been much used to "sic vos non vobis," but had not supposed that my agency in promoting and carrying into effect those measures to which near eighteen years of my life were almost exclusively devoted (1795–1812) could ever be a matter of doubt.

The fundamental substantial measure which I proposed, and was adopted by Congress, was a permanent annual appropriation of $7,300,000 a year, for the principal and interest of the debt, to continue until the whole of the principal was paid off. This proposition is not contained in my report of 1802, but in my first annual report to Congress of 1801. No other alteration has, to my knowledge, been made to the plan of redemption accordingly adopted at that time by Congress, but an increase of the sum thus annually appropriated, viz., from 7,300,000 to 8,000,000 in the year 1804, in consequence of the additional debt incurred by the purchase of Louisiana, and from eight to ten millions of dollars in the year 1816, in consequence of the great additional debt incurred during the last war. The surplus of revenue beyond the expenditure, including in this the abovementioned annual appropriation of 7,300,000 to 10,000,000 of dollars, was also always appropriated to the same object, from Mr. Hamilton's time to that of the final extinction of the debt. From 1791 to 1801 there had been no such surplus, and, on the contrary, the debt had been increased, notwithstanding his sinking fund. During the war, the income being far below the expenditure, the debt was necessarily increased, notwithstanding the annual appropriation. The redemption took place without any other alteration, to my knowledge, in the plan of 1801 but the increase above stated during the two periods 1801–1812 and 1816–1834.

As I was not in the United States when Mr. Lowndes's bill was passed, it may be that some law was enacted which has escaped my notice and which did something more than to get rid of a useless apparatus and to simplify the accounts rendered to Congress. I think it improbable; but I will thank you to give me the date and title of the Act passed at his suggestion which

has been alluded to, and also, if possible, a copy of the report on which it was founded. Be good enough to give me also the date and title of my report of 1802 to which you have alluded. When I have this information I will furnish you, as soon as possible, with a correct statement or view of the whole subject. I had rather that you would in the mean while abstain from publishing that report of mine of the year 1802 to which you have alluded.

GALLATIN TO JOHN J. ASTOR.

New York, 5th August, 1835.

Dear Sir,—In compliance with your request, I will state such facts as I recollect touching the subjects mentioned in your letter of 28th ult. I may be mistaken respecting dates and details, and will only relate general facts which I well remember.

In conformity with the treaty of 1794 with Great Britain, the citizens and subjects of each country were permitted to trade with the Indians residing in the territories of the other party. The reciprocity was altogether nominal. Since the conquest of Canada the British had inherited from the French the whole fur-trade, through the great Lakes and their communications, with all the Western Indians, whether residing in the British dominions or the United States. They kept the important Western posts on those Lakes till about the year 1797. And the defensive Indian war which the United States had to sustain from 1776 till 1795 had still more alienated the Indians and secured to the British their exclusive trade, carried through the Lakes, wherever the Indians in that quarter lived. No American could, without imminent danger of property and life, carry on that trade, even within the United States, by the way of either Michilimackinac or St. Mary's. And, independent of the loss of commerce, Great Britain was enabled to preserve a most dangerous influence over our own Indians.

It was under those circumstances that you communicated to our government the prospect you had to be able, and your intention, to purchase one-half of the interest of the Canadian Fur

Company, engaged in trade by the way of Michilimackinac with our own Indians. You wished to know whether the plan met with the approbation of government, and how far you could rely on its protection and encouragement. This overture was received with great satisfaction by the Administration, and Mr. Jefferson, then President, wrote you to that effect. I was also directed, as Secretary of the Treasury, to write to you an official letter to the same purpose. On investigating the subject, it was found that the Executive had no authority to give you any direct aid; and I believe that you received nothing more than an entire approbation of your plan, and general assurances of the protection due to every citizen engaged in lawful and useful pursuits.

You did effect the contemplated purchase, but in what year I do not recollect. Immediately before the war, you represented that a large quantity of merchandise intended for the Indian trade, and including arms and munitions of war, belonging to that concern of which you owned one-half, was deposited at a post on Lake Huron, within the British dominions; that, in order to prevent their ultimately falling into the hands of Indians who might prove hostile, you were desirous to try to have them conveyed into the United States, but that you were prevented by the then existing law of non-intercourse with the British dominions.

The Executive could not annul the provisions of that law. But I was directed to instruct the collectors on the Lakes, in case you or your agents should voluntarily bring in and deliver to them any part of the goods above mentioned, to receive and keep them in their guard, and not to commence prosecutions until further instructions; the intention being then to apply to Congress for an Act remitting the forfeiture and penalties. I wrote accordingly by duplicate to that effect to the collectors of Detroit and Michilimackinac. The letters were sent, one copy by a War Department express going to General Hull's army, then on its march to Detroit, and the duplicates given to you to be forwarded as you might think proper.

I was informed, either by the collector of Detroit or by yourself, and, as I believe, by both, that Michilimackinac was taken

by the Indians before the letter directed to the collector had reached him, and that either the attempt was made too late or that your agents had failed in carrying it into effect.

Previous to that time, but I also forget the year, you had undertaken to carry on a trade on your own account, though, I believe, under the New York charter of the American Fur Company, with the Indians west of the Rocky Mountains. This project was also communicated to government, and met of course with its full approbation and best wishes for your success. You carried it on on the most extensive scale, sending several ships to the mouth of the Columbia River, and a large party by land across the mountains, and finally founding the establishment of Astoria.

This, unfortunately, fell into the hands of the enemy during the war, from circumstances with which I am but imperfectly acquainted, being then absent on a foreign mission. I returned in September, 1815, and sailed again on a mission to France, in June, 1816. During that period I visited Washington twice, in October or November, 1815, and in March, 1816. On one of those two occasions, and I believe on the last, you mentioned to me that you were disposed once more to renew the attempt and to re-establish Astoria, provided you had the protection of the American flag; for which purpose a lieutenant's command would be sufficient to you. You requested me to mention this to the President, which I did. Mr. Madison said he would consider the subject, and, although he did not commit himself, I thought that he received the proposal favorably. The message was verbal, and I do not know whether the application was ever renewed in a more formal manner. I sailed soon after for Europe, and was seven years absent. I never had the pleasure, since 1816, to see Mr. Madison, and never heard again anything concerning the subject in question. I remain, dear sir, very respectfully, your obedient servant.

GALLATIN TO THOMAS L. THRUSTON.

NEW YORK, 14th May, 1836.

DEAR SIR,—Yours of 26th ult. has been received. I have no recollection of the transaction in reference to which Mr. Goddard petitions Congress. But the supposition that I ever was in favor of any trade carried on under the protection of an enemy's license is altogether erroneous. Without pretending to judge for others, I always considered the practice as improper and contrary to the public interest. I never expressed any other opinion; and I may add that Mr. Madison, who had made the practice o England and France towards each other in that respect a subject of official and strong complaint, was extremely anxious that it should be discountenanced and suppressed by the United States. Whether it was illegal before the Act of Congress it is not for me to say. So far as relates to the Treasury, either the parties did not think it worth while to apply for a remission, or, if they applied, the application was unsuccessful.

The measure which, as tending to increase the revenue, I did favor was a modification of the Non-Intercourse Act, so far as to permit, under certain restrictions and exceptions, the importation of British goods, as appears by my answer to the Committee of Ways and Means, of 10th June, 1812, published at the time in the newspapers; and it may be that it was this which gave rise to the report of the opinion erroneously ascribed to me on the subject of licenses. That proposition was rejected by Congress, and no other Treasury circulars were issued but for the purpose of directing that the existing laws should be enforced.

GALLATIN TO DANIEL JACKSON.

NEW YORK, 23d August, 1836.

DEAR SIR,—You are aware that General Armstrong has asserted, in his notices of the last war, that the letters which conveyed with so much celerity the news of the declaration of war

to the British posts in Canada were franked by me as Secretary of the Treasury. I have it in my power to prove by whom and how the information was conveyed, and that I was altogether ignorant of the transaction, and neither franked the letters nor had anything to do with it. But I do not wish, without an absolute necessity, to bring to public notice the name of the party concerned, and would much prefer simply to state what letters I wrote or transmitted which may have afforded a pretence for the rumors circulated by General Hull, to which General Jessup has given credit and the sanction of his name. I wrote none but public letters, and transmitted none but to collectors. But the late destruction by fire of the correspondence and other papers in the office of the Secretary of the Treasury prevents my obtaining authentic copies of my letters, which were all recorded; and I have not been able to ascertain whether Reuben Atwater, collector at Detroit at the time, is still alive, or what has become of his papers. It is for the purpose of obtaining information on that subject that I request your good offices during your journey to Detroit and Michilimackinac.

The only letters written or transmitted by me were two of the same tenor and date, addressed to the collectors of Detroit and Michilimackinac, and one from Mr. Astor to his agent at the last-mentioned place or at St. Joseph's, transmitted to the collector of Detroit; and they all arose out of the following circumstances. Some years before the last war, Mr. Astor had communicated to our government the prospect he had to be able, and his intention, to purchase one-half of the interest of the Canadian Fur Company, which, under the treaty of 1794, had engrossed the trade by the way of Michilimackinac with our own Indians. This overture was received with great satisfaction by the Administration, from a hope that an American influence might thereby be gradually introduced amongst the Indians. I was directed to write an official letter to Mr. Astor approving his plan and giving assurances of the protection due to every citizen engaged in lawful and useful pursuits; and the President (Mr. Jefferson) wrote him a letter to the same effect. The purchase was accordingly effected by Mr. Astor.

Immediately before the declaration of war he represented to government that a quantity of merchandise, including arms and ammunition, intended for the Indian trade, and belonging to that concern of which he was half owner, was deposited at St. Joseph's; that, both for his own interest and in order to prevent the goods from falling into the hands of Indians who might prove hostile, he was desirous to have the property conveyed into the United States, but that he was prevented from so doing by the non-intercourse law. The Executive could not annul the provisions of that law, and the power of the Secretary of the Treasury to remit forfeitures did not extend to a case where such forfeiture was voluntarily incurred. I was therefore directed merely to instruct the collectors on the Lakes to receive and keep in their custody such of the above-mentioned goods as might be thus brought in by Mr. Astor's agents, and not to commence prosecutions till further orders; it being intended to submit the case, if it should occur, to the consideration of Congress. Letters to that effect were accordingly written to the collectors of Detroit and Michilimackinac, of which, for the reason above mentioned, I cannot give either the copy or the precise date.

Mr. Astor had much more important concerns (ships in the Canton trade, the establishment at the mouth of the Columbia River) than the goods at St. Joseph's which might be materially affected by a war. Becoming more alarmed at the reports concerning the secret proceedings in Congress, he left New York for Washington, where he arrived, horseback, on Friday evening, the 19th of June, the day after war had been declared; event of which he was first informed the same day on the road between Baltimore and Washington. He left that place, on his return to New York, on the 22d or 23d of the same month; and on the day of his departure he left with me, requesting that it might be sent to Detroit and forwarded thence, an open letter directed to his agent at Michilimackinac or St. Joseph's (I forget which), pressing him to bring the property into the United States, if it was still practicable. I think (though Mr. Astor does not recollect it) that it was accompanied by a letter of his to the collector of Detroit requesting him to forward that for the

agent. I enclosed the letter under cover directed to the collector and sent it to the War Department, to be transmitted by an express of that Department, who was to depart on Wednesday, 24th of June, with despatches for General Hull.

As an express had been despatched to him on the 19th of June, I could be under no apprehension that any letter sent on the 24th would bring the first account of the declaration of war. In point of fact, the account reached Malden by the way of New York, Albany, and Queenstown, and was first known at Detroit by the capture of General Hull's transport, and not by any communication from Washington. Finally, the letter thus transmitted by me did not reach its destination, and did not fall in the hands of the enemy, but in those of General Hull, in whose possession it was seen by General Findlay and others. Yet this must have been the only foundation on which he thought proper to circulate the report that the information of the declaration of war was transmitted to the enemy through my means and was the cause of the capture of his stores.

The war and subsequent capture of Michilimackinac and Detroit prevented, I presume, my letters being acknowledged or answered. No answer had reached the Treasury in May, 1813, when I left the United States for Europe. The report circulated by General Hull was mentioned to me in October or November, 1812, by General Findlay. I stated to him the facts as above mentioned in this letter; and, considering the report as a lame attempt on the part of the unfortunate general to throw on others the blame of one of his *minor* blunders, I paid no attention to it, and left him at full liberty to bring, on his pending trial, any evidence in his possession which might tend to exculpate him. I was credibly informed, after my first return from Europe (1815–1816), that the collector of Detroit (Atwater) had attempted to forward Mr. Astor's letter, and despatched a boat to that effect for Michilimackinac on the 3d of July; that the person in charge of the boat, being informed on the way that the war was known at all the British posts, and afraid of being captured, returned to Detroit after a few days with the letter, and that it was on his return that General Hull took possession of the letter and kept it. But I have not the proof of this, the

letter giving the account, and which was not directed to me, having been mislaid.

Having troubled you with this long statement in order that, being master of the subject, you may judge of the information generally which would be useful to me, I will now state the points to which I would more particularly call your attention, viz.:

1st. Copies, if attainable, of my two above-mentioned letters of same tenor and date (June, 1812) to the collectors of Detroit and Michilimackinac; and, if not to be had, any information that can be obtained respecting their tenor, *their date*, that of their being received, and their fate.

2dly. Copies, if any can be had, of any letter from me (if I wrote any) or from Mr. Astor to the collector of Detroit, dated 22d to 24th June, 1812, and accompanying Mr. Astor's letter to his agent at Michilimackinac or Detroit; and, if no such copies can be had, any information respecting the time when such letter or letters was or were received, the disposition made of Mr. Astor's letter, and its fate.

3dly. Whether Mr. Reuben Atwater is alive, and, if so, the place of his residence; if dead, when and where he died, and in whose possession his papers may have fallen.

4thly. Any other information which you may think useful to me respecting those points and the report circulated that the news of the declaration of war was made known to the enemy, directly or indirectly, through me.

The only persons I can think of who can give information are: 1. Mr. Reuben Atwater, former collector of Detroit, who resigned 1st January, 1816, Mr. Woodbridge, still alive, who succeeded him, and the present collector, whose name I do not know. I am not without hope that the official papers of Mr. Atwater were transmitted to his successors, and that, at all events, Mr. Woodbridge may have had knowledge of the facts.

2. At Michilimackinac, Mr. Abbot, who has been both collector of that port and Mr. Astor's agent.

3. In Canada, if still living, L'Herbette, special clerk or agent of Mr. Astor at St. Joseph's and Michilimackinac in 1812, and Toussaint Pothier, agent at St. Joseph's in 1812, of the joint

concern of Mr. Astor and the Montreal Company, and to whom was addressed the letter from New York which, in fact, gave the information there of the declaration of war. If that letter had my frank, it was forged, which I altogether disbelieve.

I have not time to transcribe this letter, and request you to preserve it. With best wishes for your safe journey, I remain, respectfully, dear sir, your obedient servant.

GALLATIN TO REV. FREDERICK BEASLEY.

New York, 3d September, 1836.

Dear Sir,—I had the honor to receive your friendly letter of 18th ult. The attempt to establish five or six years ago a periodical literary review in this city failed, less on account of pecuniary difficulities, which might have been surmounted, than from the impossibility of uniting a sufficient number of able co-operators. I am now too old (in my seventy-sixth year) and too weak to take an active part in similar or analogous undertakings, and only a nominal member of the new association to which you allude.

It might probably cost me less labor to revise my essay on currency than to turn my attention to new subjects. But I could not give satisfactory answers to your queries without taking up the whole subject. I may say, generally, that the voluntary circulation of paper money, not made a legal tender, is a proof of its convenience and utility. This takes place in commercial transactions, when not forbidden by law, though not to the same extent nor in the precise shape it has now assumed, whenever confidence is placed in those by whom it is issued. Like every other extension of credit, the paper becomes dangerous when the issues become excessive or rest on an insecure basis; the consequences of which are depreciation or absolute bankruptcy. With respect to the repartition of the advantages derived from the substitution of paper for a metallic currency, between the banks or bankers who issue that paper and the community at large, the problem would be solved at once if government

could be safely trusted in that respect, so as to become the sole issuer of paper money, as it is of the metallic currency.

As the case now is, the substitution, being in fact an addition to the active capital of the country, operates like every other such addition. Those on whose credit it is issued derive the ordinary profits on the capital; the community receives the ordinary advantages in the promotion of industry, improvements, &c., which are derived from any addition to the capital of a country. I cannot at this moment examine the question under all its bearings. I am myself an ultra-bullionist, and prefer security to rapid growth. I would wish, though the progress of the country should be slower, that the use of paper would be confined to transactions between dealers and dealers, and that it did not take the place of currency proper. But this does not accord with the extraordinary and irresistible energy of this nation. Nothing more is, I think, practicable than a proper regulation of the system, both as to the amount of issues and as to the persons or bodies by whom it shall be issued. On the first point I have nothing to add to the suggestions contained in my former essay, viz., a suppression of bank-notes of less denomination than at least ten dollars, and a restriction of the moneys loaned by a bank to, at most, twice the amount of its capital. I can now say, from actual experience, that this is amply sufficient, and will, after defraying expenses, taxes, and ordinary losses, allow of a dividend of 8 to 9 per cent. a year. The restriction will take away the temptation of excessive credits, and necessarily limit the issue of paper and increase the specie basis.

The other point, viz., by whom to be issued, presents greater difficulties. Banking, with the single exception of issuing paper currency, should be left as free as any other species of dealing; and I was also the first (in 1830) who attacked the Restraining Act of this State; but I cannot agree with those who think that the issuing of paper currency should also be left unrestrained and without regulations; I am confident that we would then be inundated with insecure paper. Yet it is not perceived on what ground a distinction can be justly made by granting charters to one set of men and refusing them to another. As those who have neither capital nor credit cannot become money-dealers, the

question affects only those who have some share of either; and it seems to me that justice would be done to all if, on every application for a new charter, the Legislature directed the stock to be sold in small lots to the highest bidders at public auction.

Most of these suggestions are but crude, or, at least, not sufficiently explained. Yet I cannot end this letter without adding another, which is called for by the indiscriminate hue and cry raised, not against the abuses of our system, but against that system itself. One of the principal reasons why it has spread itself so widely, much, indeed, beyond what was necessary, throughout the United States, is its adaptation to our democratic institutions and habits. Abolish all charter banks, and let their room be occupied by private bankers, that will take place which exists in London, Paris, and from one end of Europe to the other; that species of business cannot be carried on without a large capital, and is everywhere engrossed by the wealthiest capitalists; in this city, instead of perhaps eight thousand stockholders who participate in it, it would be carried on by fifty or, at most, one hundred, already the richest individuals of our community.

I have the honor to be, very respectfully, sir, your most obedient servant.

GALLATIN TO LEONARD MAISON.[1]

NEW YORK, 20th December, 1836.

SIR,—I had the honor to receive your letter of 10th September last respecting the Restraining Act of the State and the conditions on which it might be repealed. You allowed so much time for the answer that I postponed the consideration of the subject. Subsequently an indisposition, which confined me five weeks, put it out of my power to attend to it, and now I have neither the time nor the strength necessary for a thorough investigation. I pray you to excuse the delay; but the subject is familiar to me, and I feel some confidence in the correctness of

[1] State Senator, Albany.

the general principles on which are founded the views which I will submit to your consideration.

Permit me, in the first place, to refer to the opinion which I expressed six years ago, and before I was connected with any bank. In the "Considerations on the Currency and Banking System" of the United States, published 1st January, 1831, I said, "The prohibition by private persons, &c., to issue any species of paper that can be put in circulation as money is perfectly proper, and indeed necessary; but that of receiving deposits or discounting notes or bills must have had some special and temporary object in view, and does certainly require revision. Why individuals should not be permitted to deposit their money with whom they please is not understood. The advantages, if not the necessity, of this accommodation (discounting notes by private bankers) are such that it is understood that the law in question is in that respect daily disregarded. The prohibition has no other effect than that of enhancing the premium on the discount." (Note C, page 95.)

The practical knowledge, since acquired by my connection with a bank, of the business of this city has strengthened the conviction that severe and efficient restrictions are necessary in order to prevent inordinate or insecure issues of paper currency; and that every other ordinary banking transaction should, like other species of trade or commerce, be permitted to every person or association of persons (other than bodies corporate), unrestrained by any provision other than the general laws of the country.

We have, from the general practice in the United States, contracted the habit of considering the issuing of a paper currency as an essential attribute of banking. The opinion is erroneous. Banks and bankers had been in existence long before any paper currency was issued by any private individuals or associations. Till very lately there were on the whole Continent of Europe but two or three incorporated banks which issued bank-notes. Then no private banker or association of persons (other than those few banks) had ever issued any species of paper currency. The right of issuing either a metallic or a paper currency has always been considered on the Continent of Europe as an at-

tribute of sovereignty, and it has but very rarely been delegated even to corporate bodies. Even in the British dominions bank-notes have never been issued by the London bankers, neither by those thus technically called, nor by those houses of general business which carry on banking transactions on the largest scale. The business of exchange and banking has for centuries been carried on throughout the whole European Continent, and in the most important seat of commerce of Great Britain, by capitalists who issued no paper currency.

There will ever be, in every country which adopts or tolerates paper money, an intrinsic difficulty in determining by whom it should be issued and under what limitations and regulations. It is a subject for distinct consideration, and I will for the present confine myself to that to which alone you seem to have called my attention, viz., the repeal of those provisions of the Restraining Act which forbid individuals or associations to keep offices of discount and deposit.

The proper banking business consists not in making currency, but in dealing in existing currency and in credit, or, as both are generally expressed, bankers are money-dealers. They borrow and lend money, discount notes, buy and sell bills of exchange. They are, in all those respects, necessary intermediaries in every commercial country.

Their capital—that which they bring into action—and their credit have a tendency to reduce the rate of interest. They lessen the amount of currency wanted for commercial transactions by increasing the rapidity of its circulation by that concentration of payments and by those exchange operations which, both on the spot and between different places, substitute a transfer or exchange of debts and credits for actual payments and transportation of either specie or paper currency proper. Unlimited competition is as desirable and useful in that as in any other branch of commerce. No satisfactory reason has ever been assigned why dealing in money (setting aside the issuing of bank-notes) should be confined to certain chartered companies to the exclusion of every other person or persons. There is not, to my knowledge, any such legal prohibition either in any other of the United States or in any foreign country. The usury laws,

the propriety of which is admitted to be doubtful, but which nevertheless prevail everywhere, apply to every money transaction, and not exclusively to bankers or money-dealers. This is not one of those insulated instances from which it may be unsafe to draw general inferences. Private banking has nowhere been prohibited but in New York, and the absence of such prohibition has nowhere been attended with any sensible inconvenience.

It seems, however, to be apprehended that an unlimited repeal even of that portion only of the Restraining Act which prohibits offices of deposit and discount may be attended with danger. It is suggested that depositors should be specially protected, and it is feared that powerful voluntary associations might obtain a dangerous control over the money market.

Whenever the power of issuing a paper currency is vested in a banking company, and restrictions are laid in order to guard against inordinate or insecure issues, it becomes necessary to take into consideration the amount of deposits as well as that of bank-notes. As the liability of the bank is the same with respect to both, the security of the holders of notes is as much affected by the magnitude of the debt due to depositors as by an excessive issue of paper money. But, if it is necessary to protect the country at large, the note-holders, and specially the more ignorant part of the community, against an excessive, depreciated, or unsafe currency proper, the same reason does not apply to depositors. Whether the deposits (so called) arise from an actual deposit of currency, from a transfer of credit, or from a discounted note or bill, the depositors, that is to say, those who keep an account with a bank, require no special provision in their favor. Their transactions in that respect are altogether voluntary; they almost universally belong to a class quite competent to judge where to place their confidence; the repeal of the law will increase the facility of making a proper selection. Enjoying the benefit of the general laws for the recovery of debts, those who may choose to deposit their money with private bankers, or with any association of persons whatever, require no greater protection in that respect than in reference to any other commercial transaction. The Legislature has probably done all

that was proper and necessary on that subject, in providing, by the establishment of savings banks, a safe place of deposit, as it is supposed, for the earnings of the poorer classes.

Provisions, whether requiring the actual payment of a certain capital, limiting its amount, or regulating its application, never have and cannot, I think, be extended to individuals generally, or, if enacted, be properly enforced. Great capitalists will ever have an influence on the money market. No other remedy can be found than in the freest competition. But it may be required that the laws should not encourage any artificial dangerous concentration of capital in the same hands. A concentration of small capitals for the purpose of banking is useful, if not necessary, in a country where there is a great disproportion between the demand for capital and the supply. The capitalists were and still probably are too few in number in the United States not to render it desirable that associations should compete with them. I do not apprehend, if the restraining law should be repealed to the extent above stated, and no other alteration is made in the existing laws, that any voluntary association will be formed with such capital as would render it formidable or dangerous. It does not seem, however, that a limitation in that respect could be attended with any inconvenience. But, if necessary for that purpose, the same reason would operate with equal if not greater force against the creation of any chartered bank with a capital exceeding that generally allowed. An inference drawn from the late Bank of the United States would be irrelevant. If the present derangement and increased rate of premium in our domestic exchanges can in any degree be justly ascribed to the expiration of the charter of that institution, some other reason must be assigned besides its large capital, since this capital, under another sanction, remains unimpaired and actively employed.

It appears to me obvious that the prohibition ought to continue in force with respect to bodies corporate, such only excepted as are or may be expressly authorized by law. Incorporated associations are vested with certain special powers or privileges for certain special purposes, and should always be restricted in the exercise of those powers to the special purposes for which they were respectively granted. It would be preposterous to authorize,

by a general law, insurance, railroad, and manufacturing companies, or municipal corporations, to become bankers or to transact any other business than that for which they were incorporated. Indeed, the only reason why they should be excepted in repealing the Restraining Act is because the prohibition is by that Act expressly extended to corporations,—a provision which was unnecessary if, as I think, they were by their charters confined to the business for which they were incorporated.

But some difficulties may arise in regard of voluntary associations other than bodies corporate. May they, for instance, be vested, as the new English joint stock banking companies, with the power of having a common seal, and of suing and being sued in their joint capacity and not as distinct individuals? Shall any special provision be made for the transfer of the shares into which the capital of such associations may be divided, and respecting the responsibility of the stockholders? Shall any alteration be made in the law of limited co-partnerships which may better adapt it to joint stock companies consisting of a great number of stockholders or partners?

To the first query I would not hesitate to answer in the negative. The essential and distinctive character of a corporation is that of being enabled to contract, to sue or be sued, and generally to do, in its corporate capacity and name, all other acts (for the purposes specified in the incorporating law) as natural persons may perform. All the other powers of a corporation are either necessarily derived from that primary character, or incidental and not essential. The right of perpetual succession, or of not being affected by the death of any of the members of the association during its existence, and that of expressing its will by a common seal, its by-laws, or in any other way provided for by the law, are inherent to and necessarily flow from the conversion of an association of persons into an artificial body acting as a natural person might do. The power of purchasing land, the exemption of personal responsibility, and other incidents are not essential characters of a corporation. They may be, and, by our own laws and those of other countries, have been, omitted or modified according to circumstances. The recent Act of Great Britain respecting banking joint stock companies is, as well as any Act

of an analogous nature which might be passed by the State of New York, a general act of incorporation, which gives the essential character of a body corporate to every voluntary association formed for the purpose of carrying on banking business. The modifications and conditions annexed to such general act would not divert it from its primary and essential character. A general law of that nature, multiplying indefinitely bodies corporate in fact for the purpose of banking, appears to me in every respect liable to great abuses and highly dangerous. But it is not necessary to dwell on that topic, since such general law is forbidden by the constitution of the State. No law creating a moneyed corporation can be enacted without the assent of two-thirds of the members of both houses of the legislative body. This provision of the constitution has been uniformly construed to mean that a majority of two-thirds was necessary for the creation of each distinct moneyed corporation. It clearly follows that no general law, giving the essential character of a corporate body to every banking voluntary association or joint stock company that would avail itself of the provisions of that general law, can be passed consistent with the constitution.

I think, however, that all the questions, without exception, which may arise respecting any modification whatever in the existing laws of the land, connected with the subject under consideration, and beyond a simple repeal of the Restraining Act in the manner heretofore stated, may be satisfactorily solved by recurring to a general principle.

It is asked that the ordinary and proper banking business (setting aside for the present the question respecting the issuing of bank-notes) should be left as free and open to every person or association of persons as any other branch of commerce whatever, but not that it should be placed on a better or different footing. There is no reason why persons or associations of persons should not be permitted to apply their capital and credit as freely to the dealing in promissory notes and bills of exchange as to the purchase and sale of merchandise, of land, or of any commodity whatever. Nor is there any reason why any special provision should be made in favor of that particular branch. Let, therefore, every person or association of persons, disposed

to carry on that business, be permitted to avail themselves without restriction of general laws of the land.

But if any modification of the existing laws (beyond the simple repeal above stated) is suggested, either for the purpose of facilitating banking or in order to guard against any danger apprehended from the repeal, let the propriety of such modification be tested by the general principle, and none be adopted in reference to banking which may not with propriety be applied and which shall not be at the same time extended to every other branch of commerce, and thus become part of the general law of the land.

Should my health and time permit, I will try in a subsequent letter to state the reasons which seem to me imperiously to forbid the repeal of the prohibition to issue bank-notes, and will also submit to you some modifications in the formation of banks and further restrictions on their operations, which appear to me necessary both in order to remove some of the well-founded objections against those institutions, and for the purpose of arresting the progress of excessive or unsafe issues of paper money. Be pleased to state whether any part of what I have written requires further explanation. You are at liberty to make any use you may think proper of this letter.

I have the honor, &c.

GALLATIN TO WILLIS HALL.[1]

New York, February 20, 1838.

Sir,—I had the honor to receive on Saturday last your letter of 14th instant, asking my opinion on the question "whether a law authorizing the banks to issue post-notes for a limited time would facilitate the resumption of specie payments?" As, from the time when I became connected with one of the banks of this city, the law forbidding the issue of such notes has always been in force, I have had no opportunity to become practically ac-

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[1] Chairman of the Committee on Banks, Albany.

quainted with the use or abuse of post-notes. On consulting some of the most intelligent and experienced officers of the banks, and who are also earnestly desirous that specie payments may be resumed and maintained, I found that their opinion coincided with the general view I had taken of the subject. We think that the repeal of the prohibitory law could not in any shape facilitate the resumption of specie payments, and that it would at this time be inexpedient.

Post-notes, in that respect similar to Treasury notes, are a promise to pay at a subsequent day. Their value depends, therefore, on the market price of the use of money, or the true rate of interest at which money may be borrowed. Fluctuating, therefore, in value according to the fluctuations of that price, they never can, from the moment we return to specie payments, be used as currency. The banks could not substitute them for their notes payable on demand. Nothing can then serve as currency but paper bona fide exchangeable on demand for gold or silver. If not used as a substitute for currency, the only way in which post-notes could be supposed to add to the resources of the bank would be as means of borrowing money. But there is no solid bank in good credit that could not borrow as well without as with them. It is not for the purpose of increasing the resources of the banks in order to facilitate the resumption that post-notes are desired and suggested. It is simply in order that the banks may be induced to increase their discounts by an exchange of those notes for the notes offered for discount. This would only increase the liabilities of the banks and render them less able to maintain specie payments. Without reference to specie payments, and apart of the present crisis, post-notes, as a negotiable paper, are often useful to the commercial community. Their legitimate use consists principally in facilitating the transmission of funds to other parts of the United States; and even in that respect bank-notes payable on demand, not to bearer, but to order, or drafts at sight accepted by the banks, would answer the same purpose. But, whatever advantages may be derived by merchants from post-notes fairly and soberly used for such purposes as those or other legitimate operations, we were all of opinion that to repeal at this moment an existing restrictive law,

and to authorize the banks to issue a new species of paper payable at a future day, would have a pernicious effect on public opinion, impair the public confidence, on which we must principally rely, and be, therefore, for the present, altogether inexpedient.

The city banks appear now to expect and to be determined to resume specie payments on or before the 10th of May. They are strong, and are pursuing the measures necessary still more to strengthen themselves. If they do not formally declare a day, it is principally because it is thought that, by meeting the other banks in convention on the 11th of April, those of New York will have more weight in inducing those of the East, South, and North-West, which are believed to be well disposed, to resume simultaneously with themselves or at a very early day. The fall in the rate of foreign exchanges, the expected influx of specie, and the still stagnant state of business are highly in their favor. The only difficulty in the way is the apprehended continued determination of the banks of Philadelphia, principally of the United States Bank, to prolong the suspension. Even in that case I do not apprehend positive acts of hostility; but others do.

To guard against that danger I do not perceive that the State can assist the banks otherwise than by interposing its credit, by authorizing, if necessary, the loan to them of a certain amount of State stock. If, as I do believe and hope, the Legislature is determined not to extend the time for resuming, and will let the charters of the banks be forfeited, according to law, on the 10th of May, some evidence of that determination might be useful.

I will shortly send you a correct statement of the city banks, and ask your permission to add some observations on our banking system generally and the improvements of which it appears to me to be susceptible.

I have the honor to be, &c.

GALLATIN TO CHARLES BROWN.

New York, March 1, 1838.

Dear Sir,—I felt much gratified by the evidence of kind recollection evinced by the resolution of the convention of Pennsylvania, of which you sent me a copy, and for which I perceive that I was principally indebted to you.

The convention of 1789 was the first public body to which I was elected, and I took but a subordinate share in its debates. It was one of the ablest bodies of which I was a member, or with which I was acquainted. Indeed, could I except two names,—Madison and Marshall,—I would say that it embraced as much talent and knowledge as any Congress from 1795 to 1812, beyond which my personal knowledge does not extend. But the distinguishing feature of the convention was that, owing perhaps to more favorable times, it was less affected by party feelings than any other public body that I have known. The points of difference were almost exclusively on general and abstract propositions; there was less prejudice and more sincerity in the discussions than usual; and, throughout, a desire to conciliate opposite opinions by mutual concessions. The consequence was that, though not formally submitted to the ratification of the people, no public act was ever more universally approved than the constitution of Pennsylvania at the time when it was promulgated.

Tested by experience, its defects must have been discovered. Changes have taken place, more perhaps in public opinion than in the state of the country, but not the less entitled to consideration and deference. It may be a matter of doubt whether more is not lost by any change in a constitution which works well and for which there is an habitual respect than is gained by presumed improvements not essentially necessary or imperiously called by the voice of the people. I am not acquainted with the alterations which have been adopted by the convention. I hope that they will prove acceptable, and pray that Pennsylvania may, under the new or modified constitution, continue to prosper, and to be, as heretofore, a model in many respects for other States and other nations. It is indeed a just subject of pride

that whilst yet a colony Pennsylvania was the first country that gave the example of a legal and practical universal liberty of conscience; that as one of the United States she was the first to abolish slavery; the first, if I am not mistaken, in commencing internal improvements; the first to reform her penal code and to substitute that system since adopted by the other members of the Union, and which attracts the attention of the most civilized foreign nations.

GALLATIN TO WILLIS HALL.

New York, 3d March, 1838.

Sir,—I have the honor to enclose, 1, a copy of the first report of the committee on "the resumption of specie payments" to the general meeting of the officers of the banks of this city, which was unanimously adopted by the meeting and ordered to be published; 2, a copy of the second report of the same committee, which, as it refers to the situation and obligations of some of the banks, and as it is accompanied by an *estimate*, which might give rise to cavil, the meeting thought best not to publish. It is sent for the information of the committee of the Assembly of which you are chairman. The estimate is as correct as can at this time be made. The resolution recommending each bank to have an amount of specie equal at least to 20 per cent. of its capital was adopted unanimously by the meeting. This and the 30 per cent. of the seven banks which obtained State stock will give us five millions in specie on the day when we resume.

Several of us consider the 10th of May as the day on which our charters will necessarily expire if we do not resume specie payments on or before that day (see Rev. Stat., vol. i. page 605, and vol. ii. page 378, edition of 1836); others believe that according to the 1st Sec. of the Act of 16th May, 1837, the charters will continue to that day. I incline to the first opinion; and as there may, at all events, be a doubt, we have thought it safer to announce the intention of resumption for the 10th.

It seems to me that, if post-notes should be authorized, it should not be on the condition that within — days the banks

shall announce their determination to resume specie payments. It would look as if the permission to issue post-notes was necessary in order to induce or enable the banks to resume. It is also important for the city banks not to fix the day positively till after the meeting of the convention in April.

I have the honor to be, &c.

GALLATIN TO A. C. FLAGG, COMPTROLLER, ALBANY.

Private.

NEW YORK, March 6, 1838.

DEAR SIR,—The Senate of Pennsylvania has negatived the resolution of the House of Representatives which directed the banks of that State to resume specie payments on the 16th of May next. The North-Western States have always made their resumption depend on that of Philadelphia and New York; the Eastern States may pursue the same course; Baltimore goes with Philadelphia; there is no dependence on Charleston and New Orleans; Alabama and Mississippi are against the resumption. The probability now is that we will be obliged to resume without Philadelphia and Baltimore, and perhaps alone. Shall we be able to maintain specie payments? A great and spontaneous influx of the precious metals can alone enable us to do it. Even then we will be compelled to be extremely cautious, and, whether by curtailments, by withdrawing our circulation, or by both means, there must necessarily be a great pressure on the commercial community of this city. Those difficulties we must meet; but can the Legislature assist us in any way with propriety? and should it not abstain from any measure that might impede our endeavors? 1. I object to post-notes or any similar measure which looks as an extension or partial suspension and is calculated to impair confidence; and I have not been able to discover any other mode of aiding the banks than the loan of a State stock. 2. I think that every new general plan having for object materially to change our present system is in every respect ill-timed and dangerous. I most earnestly entreat that the

banks may be permitted to extricate themselves, and that the resumption should take place before any new project is entertained. Whatever and however pure may be the motives of the movers, I do confidently assert that all the plans of indefinite joint stock companies or corporations, suggested under the pretence of free banking, have originated, or will terminate, in rank speculations; and that viewed under the most favorable aspect, they will have an unavoidable tendency to increase in amount and deteriorate in quality our paper currency. At all events, no more improper time could be chosen for such total change of system than that of general excitement and during a temporary and unnatural state of things. All I ask is that the consideration of such [a] momentous subject be postponed till next winter.

There are some other partial measures to be avoided. Such is the attempt to revive the Dry Dock Bank, whose catastrophe connected with the frauds on the Mechanics' Bank was the last drop in the bucket, and the most immediate cause of the general suspension. Let not, I beg, the city banks be encumbered with it at the time of resuming, and, if to be revived, let it wait also till next session.

It is generally believed that the attempt is now made under the auspices and for the use of the United States Bank.

We have done all we could to make all the city banks join in the measures necessary for a resumption. The Manhattan and the Union hold back. As they are both bound to the State by the stock contract, we look to you to make them perform the conditions and, like the others, agree to get and hold an amount of specie equal to 30 per cent. of their capital.

Very respectfully, yours, &c.

GALLATIN TO WM. L. MARCY, GOVERNOR OF THE STATE OF NEW YORK.

NEW YORK, March 20, 1838.

SIR,—The undersigned were appointed by the general meeting of the officers of the banks of the city of New York a committee

on the subject of the resumption of specie payments. They have the honor to transmit to your Excellency copies of two reports made by them to the general meeting aforesaid, the first of which has been published, and the other, not intended for publication, refers to the measures deemed necessary on the part of the banks in order to resume with safety and with a prospect to maintain specie payments. To that report is annexed an estimate of the liabilities of the banks payable on demand, and of their cash resources as they are expected to stand in the beginning of the month of May.

From those data, and according to the belief of the undersigned, there would be no difficulty in resuming on or before the 10th of May, and in maintaining specie payments, at the same time continuing to give banking facilities to the community at least equal to the present amount of their loans and discounts, and freely though discreetly issuing their circulation, provided the resumption was general and simultaneous on the part of at least the other principal commercial cities.

It is well known that the principal difficulties to be apprehended arise from the protracted reluctance of the Philadelphia banks to fix an early day for resumption. The banks of this city sent lately delegates to Philadelphia to confer on that subject and ascertain the ultimate views of the institutions of that city; but they declined naming any day till the meeting of the general convention of banks, which takes place on the 11th of April. The Senate of Pennsylvania has subsequently negatived a resolution of the other legislative house intending to compel the banks of that State to resume specie payments on the 16th of May.

Whilst there does not as yet appear any disposition on the part of the Philadelphia or Baltimore banks to resume at the same time with or shortly after those of New York, the banks of the North-Western, Eastern, and Southern States, though generally disposed to resume, may object to doing it without the co-operation of Philadelphia and Baltimore; Charleston is uncertain; the South-Western States generally, Alabama and Mississippi decidedly opposed to an early resumption.

Should we be compelled to resume specie payments without

the co-operation of the other principal commercial cities, it will place the city banks in a novel situation, calculated for that very reason to impair confidence, and in which, whether from natural causes or from design, they may, notwithstanding all the measures adopted to guard against that evil, be exposed to specie drafts from States in which banks may still refuse to pay their debts in specie.

The undersigned believe that, provided the city banks generally adopt in earnest and carry into effect the measures recommended in the second report herewith enclosed, they will be able to sustain themselves. But in case of specie demands in the manner above alluded to from quarters of the Union where specie payments shall not have been resumed, it may be justly apprehended that the city banks, after having paid, may not be able to reissue their circulation; in other words, that they may be under necessity of withdrawing their notes and reducing their discounts to a sum not much exceeding the amount of their capital and surplus. It is obvious that the contraction of their concerns within such narrow limits will greatly distress the community and paralyze the commercial affairs of this city. In short, the ability of the city banks to resume specie payments may, in case of want of co-operation on the part of the Philadelphia banks, be only a payment of former engagements, and not a resumption of banking business on its ordinary scale.

It is therefore much less with a view to the safety of the banks, than for the purpose of being enabled to continue to accommodate the commercial community and to prevent if practicable the great distress to which it may be exposed, that the undersigned think it their duty to make this communication to your Excellency, and to call your attention to the aid which under such circumstances it may be in the power of the State, and which the State may deem proper and necessary to give. The only mode which has suggested itself to their minds consists in the State interposing its credit by the issue of a stock to be loaned for the purpose aforesaid, under the direction of the governor, on such contingencies and upon such conditions as may be prescribed by the Legislature.

The undersigned believe that such stock may, by being sold

or pledged, shield the banks against the apprehended foreign demand, and they place great reliance on the moral effect of the simple enactment of a law of the State authorizing that measure.

We have the honor, &c.

GALLATIN TO WM. L. MARCY.

New York, 27th March, 1838.

Dear Sir,—Your letter of 25th instant was received yesterday. Whilst pursuing steadily and with singleness of purpose the great object of the resumption of specie payments, we felt sensibly the difficulties likely to arise from a want of co-operation on the part of the banks of Philadelphia and other places, and the injurious effects it might have on the business of this great city. We could see no other efficient remedy than the interposition of the credit of the State in the manner suggested in our letter to you. Such is at the same time the peculiar situation of the banks and the prejudices entertained against them, that we were apprehensive that a direct application from them for the purpose aforesaid would not only betray a sense of weakness unfavorable to the prospect of maintaining specie payments, but might be liable to misconstruction and engender opposition. Under that impression measures have been taken by some of that sounder portion of the commercial community which feels the necessity of an early resumption and will sustain it, to have a memorial signed by merchants, asking from the Legislature the aid of the State for the purposes and in the manner stated in our letter. We hope that that memorial will in a few days be carried to Albany by a committee of merchants.

It was certainly our intention in making our late communication to you not only to lay before you a correct statement of our situation, prospects, and apprehensions, but also that the knowledge of all the facts bearing on the question and of our own view of the subject might be used for the purpose of promoting the object if it met with your approbation. With respect to the manner of doing it we trusted entirely to your judgment and

discretion. You will, however, perceive from what I have now stated that we think it best that the application for aid should not come from the banks. The publication of our letter at this moment might be considered as an application from them; but I think that its contents may be advantageously used and communicated to such persons and in such manner as in your opinion may best promote the measure proposed. In its progress it may indeed become proper and necessary that it should be known that the banks which anxiously desire a resumption of specie payments consider the aid and support of the State as eminently calculated to insure the success of the attempt.

I consider, indeed, the passage of a law to that effect before the 11th of April to be of first-rate importance. The determination of the State, such State as New York, not to permit a further protraction of the suspension, and to lend its powerful aid in sustaining a resumption of specie payments, cannot fail to have a most beneficial influence over our own commercial community as well as on the banks of other States. It is at this moment the last hope we have that those of Philadelphia may be induced to withdraw their opposition.

Permit me to add, that whatever may be the merit of the propositions in reference to banking and currency which have been agitated during the present session of the Legislature, they cannot have the slightest favorable effect on the resumption of specie payments, which in our present prostrated situation should seem to be the first and primary object of government.

I have the honor to be, with great respect, dear sir, your most obedient servant.

The *second report* may be freely communicated, but on the whole need not be published; the object in transmitting it was to show that we had taken every measure in our power to be prepared for the resumption.

GALLATIN TO WILLIS HALL.

New York, 28th March, 1838.

Sir,—Your letter of 3d instant did not reach me till the 10th. I laid before the committee of the city banks on the "resumption of specie payments" that paragraph in which, alluding to the issue of a State stock for that purpose, you say that if legislative aid is required, let application be made, and that if it can be shown that a law authorizing that issue is necessary to sustain the banks in case they resume specie payments, you think that it will pass.

We are unanimously of opinion that a law to that effect would be of great importance; and no other action of the Legislature that can have a salutary influence on the resumption of specie payments has suggested itself to our minds.

The object of the several propositions in reference to banking and currency, which have been agitated during the present session, is obviously to increase banking facilities, and eventually, if at all efficient and practicable, to increase the issues of paper. Whatever the effect and merit of those plans may be, the result cannot be immediate, and they cannot in the slightest degree assist in resuming and maintaining specie payments. This, however, is the immediate object which presses upon us, and to which my attention and faculties are for the present exclusively devoted. It is the only one in reference to which you first addressed me.

I can assert with perfect confidence that, in the present state of foreign exchanges and under all existing circumstances, there would not be the least difficulty in resuming specie payments without any aid from the State, or action of any kind by the Legislature, if the banks of the other great commercial cities, and principally of Philadelphia, would agree to a simultaneous, or nearly simultaneous, resumption. Both Philadelphia and Baltimore persist, however, so far as we are informed, in their opposition; and this may have an unfavorable effect on the ultimate determination of the banks of the Eastern, Southern, and North-

Western States, which appear disposed to resume along with us, but may object if Philadelphia does not unite.

The banks of this State will be placed in a novel situation when resuming without the co-operation of some of the most important other places. They will be subject to specie drafts from quarters where specie payments continue to be suspended. I believe that, with all the measures of precaution which have been recommended in our second report, the city banks will be able to sustain themselves. We have done all that was in our power. But, if pressed, they may be compelled to withdraw their circulation and to curtail their banking facilities to an extent extremely injurious to the commercial concerns of this great city. It is much less in reference to the safety of the banks than in order to guard against that evil that the aid and support of the State are required.

I believe that the issue of a State stock, such as suggested in your letter, and on such conditions and restrictions as the Legislature may prescribe, will in a great degree, by its immediate convertibility (if I may coin the word) into specie, protect the banks against the effect of annoying specie drafts from other States. I rely principally on the moral influence of the mere passage of such law by the State. Writing to you, I need not expatiate on that subject, and will only say that it is the only hope now left that the Philadelphia (and particularly the United States) banks may be induced to agree to an early resumption.

But however satisfied of the soundness of those views, and of the high importance that such law should pass before the 11th of April, when the general bank convention meets, yet such is the peculiar position of the banks, and the prejudices entertained against them, that a direct application from them would not only betray a sense of weakness injurious to the resumption, but might be misconstrued and produce opposition.

I understand, however, that some of our respectable merchants friendly to the resumption of specie payments, and sensible of the difficulties attending the subject, have taken it up, and that a memorial from them, applying for legislative aid in the manner contemplated in your letter, is now prepared, and will be shortly sent to Albany. Yours, &c.

GALLATIN TO WILLIS HALL.

New York, April 3, 1838.

Sir,—In my answer of 20th February to your letter of 14th of the same month on the subject of post-notes, I stated the objections to "a law authorizing the banks to issue such notes for a limited time for the purpose of facilitating the resumption of specie payments," to which object your inquiry was exclusively directed. I am very far from ascribing much weight to my opinion on a subject on which, as I mentioned, I had no practical experience, and on a measure respecting the effect of which we rely only on conjectures. But several respectable and experienced merchants who are anxious for a resumption are so decidedly of opinion that it will be beneficial, that I would not wish to stand on that doubtful point in opposition to them.

There is, however, a view of the subject taken by some which I think to be entirely erroneous. Post-notes cannot and ought not to be used as currency. They cannot be used as such unless the banks agreed on were compelled to take them and pay them as such, which would be equally unjust and injurious. If any paper not exchangeable on demand for gold or silver is received and used as currency, it must necessarily take the place of and drive away the bank-notes payable on demand, and this would be but a pretended resumption of specie payment.

But banks which are weak, and there are some of that description in the city, may, by making some sacrifices, be enabled to borrow money on the credit of such notes, and thus to strengthen themselves and to stand the difficulties of the first months of the resumption. The principal and avowed object of the measure, however, is to enable the banks to extend their discounts and to lessen the pressure on the commercial community which may grow out of the pertinacity of the United States Bank in protracting the suspension. Here a difficulty presents itself. It cannot be expected that the banks would lend gratuitously their credit to merchants; that they should give their post-notes in exchange for discounted notes without some compensation; and yet, unless permitted by a special provision,

I do not see how they could charge more than they received without being liable to the charge of usury. They may afford to borrow at five and lend at six per cent., but not both to borrow and to lend at six. And they cannot, without breaking the usury law, by one and the same operation borrow from the same person at five and lend him at six per cent.

If you can by any legislative provision avoid that difficulty, the power to issue post-notes, though still liable to be abused, may probably be usefully applied in the approaching crisis towards relieving our merchants. The amount, however, should be limited in proportion to the capital, and the denomination of the notes should under no consideration be under 100 dollars. I should prefer not under five hundred.

Amongst the difficulties under which we labor we must reckon the weakness of some banks, particularly the Mechanics', which renders it doubtful whether they may resume with safety to themselves and without again endangering the other banks. You may recollect that the transactions of the Mechanics' and of the Dry Dock Bank (though the other banks loaned 900,000 dollars to the Mechanics' and assumed the payment of the notes of Dry Dock) were the immediate cause of the suspension of specie payments, the last drop which made the bucket overflow. I regret extremely on that account that an attempt should be made at this session to revive the Dry Dock. If ultimately sound and solvent, that institution, after the injury it did to the others, may certainly wait till the next session, and after we shall have passed through the ordeal of resumption.

The affair of the Phœnix Bank is another very unfortunate circumstance. Independent of its misdeeds, it is, apparently at least, one of the strongest and best prepared to resume. Without taking into consideration its stockholders, the locking up of its specie, the situation in which its creditors (depositors) will be placed, the derangement it will cause in the affairs of the other banks, are all, at this moment, new impediments thrown in our way. If it can be done, let the decision be left by *quo warranto*, or some other legal process, to the courts of justice. The power to repeal a charter at the will of the Legislature should be exercised with the greatest discretion. You may by legislative

enactments divert capital from one employment to another, and substitute, to a certain extent, credit for capital, but you cannot create capital. If you want more capital, it must be invited from abroad; and you cannot expect that foreign capital will be invested in the stock of institutions that may be annihilated by the simple fiat of a popular assembly. I do not wish myself for the establishment of a large State bank at this moment, because I think that it would cut off any expectation of a national bank of the United States. But the State may ultimately be compelled in self-defence to resort to that measure, and you may rely that such an institution could not compete with the Pennsylvania United States Bank without recurring, as it has done, to foreign credit and foreign capital.

I have the honor to be, with great respect, sir, your obedient servant.

GALLATIN TO JONATHAN GOODHUE, ALBANY.

NEW YORK, April 5, 1838.

DEAR SIR,—You asked for some details respecting the issue of State stock, applied for the purpose of aiding the banks in maintaining specie payments. I had thought it sufficient to state the object and leave all details to the Legislature. The object is twofold: 1, to afford to the banks additional means of raising money at once by the sale or on the pledge of the stock; 2, to produce on other communities and other States a moral effect by inspiring the confidence which the support of the State will give. In reference to the last point it may be proper to make the amount larger than would be otherwise necessary or could be used. I think that it should not be less than five nor more than ten millions of dollars.

The operation will be onerous to the banks; they must, in order to realize, sell the stock cheap, and, if through the means of foreign exchange, draw on very unfavorable terms. There is no danger of any that is sound taking more than the amount absolutely necessary. The stock must, either by its rate of interest, or rather by the number of years for which it shall be

made irredeemable, be made worth more than par, reserving to the State, if thought proper, the premium above par at which it may be sold. A five per cent. stock redeemable after 1860 will answer.

The convenience of the State must determine the time and mode of payment of the stock by the banks. If the State intends to issue stock for the purpose of raising funds for internal improvements, and that should be the stock sold to the banks, it must be paid for in instalments at the time and times when wanted for such improvements. In my opinion it would be more advantageous for the banks to pay for the stock within a short period, say in three or four annual instalments. But if the State issues the stock solely for the purpose of aiding the banks and without reference to an application hereafter of its proceeds to public objects, it may be expected that, however inconvenient to the banks, they must pay the interest for the whole period and reimburse the principal. In that case the State only interposes its credit; the premium, if any, must belong to the banks; and there would seem to be an impropriety in making the stock irredeemable for a longer time than the period of the existence of the bank, which should thus engage to reimburse the principal. The charter of the National Bank expires 31st December, 1856; those of the principal city banks, I believe, in 1852–1853.

If deemed necessary to specify the contingency on which the stock should be issued, I say, without hesitation, that it is wanted only in case the banks of Philadelphia, or, to speak with more precision, the United States Bank of Pennsylvania, should not resume simultaneously with or shortly after those of New York. The Legislature may, as it shall deem best, specify the contingency, or leave it discretionary with the officers charged with the execution of the law.

As to the execution of the law, the object for which the stock is permitted to be issued must of course be defined. It is intended to be sold on credit (as above stated) to the banks of the city of New York for the purpose of aiding them to maintain specie payments. All further details should, I think, be left to the discretion of the State officers. No other security can be

expected than the sound situation and general character of the banks to which the stock may be sold; but it should not be thus sold to any that is not sound and of good standing. Hence the necessity of a discretion in the public officers.

The conditions also must in part depend on circumstances, and cannot be well defined beforehand. The essential condition will always be, in substance, that the stock shall be exclusively applied to the object for which it is sold to the banks. That generally will be the sale or pledge of it for specie; but there may be other modes equally efficient to apply it, and on the whole it will, I think, be best to leave the conditions to the Executive discretion. When speaking of the soundness of a bank, I must say that, though wounded, it may be perfectly sound so far as relates to its creditors. Thus, though the Mechanics' Bank should lose two or three hundred thousand dollars of its capital, it would with the remaining seventeen or eighteen hundred thousand be as perfectly safe as if its capital had originally amounted to that sum. I mention this because I wish government to lend it three or four hundred thousand dollars, without which it may be difficult for it to resume specie payments with safety to the whole banking concern. If you should have an occasion, mention this to the Governor.

I wish also that the fatal effect of a repeal of the charter of the Phœnix Bank taking effect immediately, on its discounters and depositors, and on the general banking and commercial interest of the city, may be taken seriously into consideration.

What is meant by the report of the bank committee to the Senate to permit banks to receive deposits payable in current bills? This presupposes current bills not payable in specie, or, in other words, a protraction of the suspension of specie payments.

With great respect, &c.

GALLATIN TO WM. L. MARCY, Governor of the State of New York.

New York, 9th April, 1838.

Dear Sir,—I hear with regret that the committee of merchants who had gone to Albany have returned without doing anything decisive, and without even addressing you a letter which might lay the foundation of a message to the Legislature if that message appeared to you proper. It is also reported that it is intended to postpone the subject till after the meeting of the bank convention; but for what reasons I do not understand. For that Philadelphia, and of course Baltimore and some other places, had determined not to resume, was known at Albany; and the want of co-operation on the part of Philadelphia alone would render the aid of the State necessary. On the other hand, the knowledge that the State of New York would support the banks in their earnest effort to resume specie payments cannot fail to have a powerful effect on the convention; it will encourage the timid and decide the wavering. I am so well satisfied of this, and, now when there is not time for a decisive action of the Legislature, that even your message would be sufficient to produce that effect, that if you think it necessary as a basis for recommending the measure to the Assembly, you may consider yourself at liberty to communicate the letter of the bank committee of seven to you. For the reasons stated in my letter of the 27th March, I would rather, if it can be avoided, that that of the committee should not be published; but, if necessary in support of your immediate message, I would waive the objections.

I have the honor to be, with great respect, dear sir, your most obedient servant.

GALLATIN TO SAMUEL B. RUGGLES.

New York, 9th April, 1838.

Dear Sir,—I am told that it is intended at Albany to postpone the consideration of the application for aid by the State of a sale of stock on credit to enable the banks to sustain specie payments till after the meeting of the general bank convention, which meets on the 11th inst.

If the committee of which you are chairman, and to whom was referred the memorial of certain merchants on that subject, is against the application, I have nothing further to say.

But if it is intended to report in favor of the memorial, permit me to say that it is of great importance that the report should be made at once, so as to produce the desired effect on the convention. There will be found in that body many timid and undecided men. The knowledge that the great State of New York will sustain and aid the resumption cannot fail to have a powerful influence; and the report of the committee, since it is too late to expect a timely vote of the House, will alone be of great utility to promote our object.

Yours, &c.

GALLATIN TO B. C. HOWARD, M.C.

New York, 7th May, 1838.

Sir,—I had the honor to receive your letter of 1st of this month.

The balances due on the 7th of April by the banks of Baltimore to those of this city amounted to less than 300,000 dollars, and the amount has since that time been rather lessened than increased.

Whatever the amount may be, I have no doubt that the banks here would agree to any reasonable postponement, provided those of Baltimore resume specie payments. No difficulty is, I think, to be apprehended from that cause.

Nothing would, in my opinion, more effectually remove ob-

jections, and promote an early and general resumption of specie payments, than an abandonment, for the present at least, of the sub-treasury plan and a repeal of the specie circular.

It seems to me that you may wait till a surplus revenue does exist before you make new provisions for its safe-keeping; and, as the question becomes important and difficult only in case of a large accumulated revenue, I agree entirely with the President in the opinion that the true remedy consists in reducing the revenue, as far as it may be estimated, to the amount of the current expenditures of the nation.

The specie circular is now a dead letter; but its effect, after the resumption, is a subject of actual apprehension to the Western banks which wish to resume; and it is used as a pretence for not resuming in other quarters. The claim on the part of the Executive to make a distinction as to the kind of currency in which different branches of the revenue shall be collected is really untenable; and a joint resolution, substantially such as that proposed by Mr. Clay, would at this moment be extremely desirable.

My great anxiety for an early and general resumption of specie payments, so essential to public and private credit and indeed to the character of the country, must be my apology for submitting those suggestions to your consideration.

I have the honor to be, &c.

GALLATIN TO BATES COOKE, Comptroller.

New York, March 2, 1839.

Sir,—Your letter of 25th ult. did not reach me till yesterday. I was under the impression that the general banking law of the State, by declaring that the stocks pledged for the redemption of circulating notes should consist of such public debts created by the United States, or by this State, or such other of the United States as should be approved by the comptroller, had left it discretionary with that officer to reject those stocks the value of which he had not the means to ascertain.

The intrinsic value of a stock depends on the wealth and resources of the State which issues it compared with its expenditures and debt, and on the opinion entertained of its fidelity in fulfilling its engagements and of the stability of its government. The market price may be considered as the expression of the general opinion in those respects, and is the criterion to which we generally resort in all stock transactions. But in the case under consideration there are other circumstances which require attention.

1. The ordinary rate of interest in the United States is so much greater than that in England and that on our State stocks, that the market price of these depends entirely on that which they command in the London market. It is therefore regulated, not by our brokers and money-dealers, who would be the most competent judges, but by men abroad, whose knowledge of all that may affect the intrinsic value of the American stocks is necessarily imperfect.

2. That foreign market is always governed in a great degree by the comparative value of the European, and principally of the English, stocks. It is not because our stocks are thought safer, but on account of the higher rate of interest they yield, that they command the present prices. The French 5 per cent., notwithstanding the constant apprehension of a reduction in the rate of interest, sell 5 to 10 per cent. higher than ours. Thus the market value of American stocks is affected not only by changes in our situation (war, excess of debt issues, &c.), but by those in Europe; and the fluctuations arising from that source are enormous, depending principally on war and peace and on the greater or shorter duration of peace. The price of the English 3 per cent. was, in 1781, 55 per cent.; in 1790, 81; in 1795, 64 to 70; in 1813, 56; in 1819, 80; in 1838, —. You will at once perceive that a war between England and any other nation would cause a fall both in their and in our own stocks, and that the best of these would afford a less valuable and much less available pledge for the circulating notes than the commercial paper on which alone rests the safety of the paper issued by the old banks.

3. That the market value of a new stock is not settled until it

has fallen into the hands of those who intend to make a permanent investment. For that distribution a certain length of time is necessary; when it has once taken place, the price, so long as no great political crisis intervenes, is subject to no sudden fluctuations, as there is never but a small quantity offered for sale, unless, indeed, new and continuous issues of the same stock are made; but, till thus distributed and whilst held by the original contractors or purchasers of the new stock, it has no fixed value. The four species of stock to which you allude—Maine, Michigan, Illinois, and Arkansas—are precisely of that description; there is as yet a competition between the holders and those who are in the habit of making investments in American stocks, and no actual sales had, I believe, been made in England of any of those four stocks to very late dates.

With respect to other stocks, I enclose one of the late circulars of Baring Brothers & Co., showing the nominal price at which the stocks are held, though of late, owing principally to the great quantity of various kinds which has been remitted, the actual sales are but few. But you must observe that when quoted sterling the bonds or stocks are expressed in pounds sterling, and the quotation is the true price per cent. for which the stock sells; whilst when quoted simply and without the addition of sterling the stocks are expressed in dollars, and on account of the false valuation put on the dollar (St. 4 shillings 6 pence) about 9½ per cent. is to be added to the quotation in order to have the true par value: thus, if a stock is quoted St. 95, it means that the stock sells at 95 per cent.; but if quoted without the word St. 95, it means that the stock sells at 104 per cent. Thus far the calculation is plain; but the same kind of stock is generally more valuable when irredeemable for a longer term of years; and how to estimate this when the short stock is below par is, if at all practicable, very difficult. I had, at the end of the year 1838, prepared a comparative table of the market value of our stocks, founded on these various principles, which, though but an approximation, is as correct as I could make it. But the inferior species are now about 1 per cent. lower than at that time. The estimate is for a stock having about eighteen to twenty years to run, or payable 1859–1861.

I have added, from information collected here, the present prices of the stocks not quoted in the London quotation.

	A.
New York State 5 per cent., 1860,	104.
Pennsylvania 5,	103½ (1865 at 104).
Massachusetts 5,	102½ (1868 at 103).
Ohio, if 5 should sell	101 (1856), its 6 per cent. sells 111.
City of New York 5 per cent.,	99 (1860).
Maryland, if 5 would sell	96 (1870), " do. " 109½.
Kentucky, do. do.	95, " do. " 108½.
Tennessee, do. do.	95, " do. " 108½.
South Carolina 5,	95.
Louisiana 5,	95.
Indiana 5,	93 (1864).
Virginia, if 5 would sell	93 (1857), " do. " 104.
Illinois, do. do. do.	90 (1860), " do. " 100; if 1870, 103.
Maine 5,	90 (1850), usual.
*Alabama 5,	92 (1863).
Michigan, if 5 would sell	90 (1862), its 6 per cent. sells 98½.
Mississippi, if do. do.	87½ (1871), " do. " 98½.
†Arkansas, if do. do.	88, " do. " 98½.

* There are Alabama bonds issued by the State Bank (which is the State), indefinitely guaranteed by the State, which have been returned from England as unsalable; which I mention to put you on your guard.

† I think this stock very unsalable. I understand that the interest is not regularly paid.

In bringing, in column A, the value of 6 per cent. stocks to 5 per cent., I have added to a 5 per cent. considered at par the value of the annuity of the one additional dollar (interest) for the number of years it has to run. Thus, as an annuity of one dollar for eighteen years is (at 6 per cent.) worth $10.80, if a 6 per cent. stock having eighteen years to run sells for 111 dollars, we may presume that if at 5 it would bring a fraction more than par. As to my own opinion, I have no confidence in the South-Western stocks, and would not invest in their 6 per cent. for my family at 80 per cent. The Louisiana, however, is much safer than the three other (Alabama, Mississippi, Arkansas). Michigan is new, and has as yet no fixed character, and Illinois runs so extravagantly in debt that I am afraid of it. The nullifying propensities of South Carolina and Georgia are dangerous. I place great confidence in New York, Massa-

chusetts, Pennsylvania, Ohio, Maryland, and Virginia, and have good opinion of Indiana and Kentucky stocks. The other I would reject altogether; and permit me to add that, under the existing law, it is natural that the worst and most unsalable stocks should be offered to be pledged; that, considering the instability of stocks, it is very desirable that none but the safest should be accepted; and that, particularly if the State intends to issue more stocks for internal improvements or other objects, it is obviously her interest that no other should be received but those of the State. This city stock might indeed be added, though at a less rate, as, though very safe, it is less salable, and therefore less available in case of need for the purpose intended by the banking law.

I have the honor to be, respectfully, sir, your obedient servant.

GALLATIN TO CHARLES S. DAVIES.

New York, 14th June, 1839.

Dear Sir,—Your letter of the 7th reached me the 12th, and that of the 10th this day; too late of course for any answer being received in time for your purpose. This is not to be regretted. The question seems to be one of expediency, and which belongs exclusively to the State of Maine. I doubt whether I could suggest anything new even if I was acquainted with the new proposals; and, ignorant as I am either of those, or of the views in general of the British and American governments, I can only allude to some of your suggestions.

Your reference to the former convention of Mr. King, and to that proposed by Messrs. Monroe and King [Pinkney?], has alarmed me. You might as well throw dice for the territory as to leave the decision to a third commissioner. If British, he will infallibly decide in favor of the British claim. Objectionable as it may be in many respects, another reference to a foreign sovereign would be preferable.

With respect to the convention which I negotiated at London, although it has not been executed, nothing should be done that

would admit that its provisions are abrogated. The acknowledgment of the map A as binding the two parties is advantageous; but that of Mitchell's map is far more important and decisive as to the intentions of the parties to the treaty of 1783. The defects of that convention are, 1st, that the words of the Treaty of Ghent, "in conformity with the treaty of 1783," though implied, were not actually inserted in defining the subjects referred to the arbitrator; 2dly, that the respective claims of the two parties were not explicitly expressed in the body of the convention; 3dly, that the arbitrator was not expressly authorized to call on the parties for the instructions given to (and the correspondence between each government respectively and) the negotiators of the treaty of 1783.

For the first omission I may perhaps be blamed. The two other propositions were rejected by the British negotiators. This is mentioned in order to call your attention to the subject if a new reference should be proposed. The last point is the most important, and might be brought to bear in the course of any negotiation. We have published everything, and the British have used against us not only our instructions and correspondence, but even the previous deliberations of Congress. If that government means to prove that it did not intend to yield what we claim under the treaty, why decline to communicate the evidence which will show what that intention was? and if they will decline a formal application to that effect, it will strengthen our case in public opinion even in England.

As to the second point, it was not more outrageous than an egregious act of folly on the part of Great Britain to claim the pretended north-west angle of Nova Scotia and the boundary-line which was first suggested by the perverted mind of Chipman. As the matter stood in 1827 I wanted to tie them to it, which I did by the reference to their line as traced in the map A; but I tried unsuccessfully to make them express it in writing, which would have made the absurdity of the claim still more glaring. I do not precisely understand your allusion to that point, but agree with you in the conclusion that the British government will probably hereafter only contend that our line is not consistent with the treaty of 1783.

It may be that the object of both governments is to procrastinate; and if that is necessary in order to preserve peace (a question on which, for want of sufficient data, I cannot even form an opinion), I certainly wish that Maine may find it practicable to acquiesce without impairing her just claim. Permit me, in reference to that point, to observe that new surveys can be of no use but to gain time; that it is highly important not to depart from the principle; that the words "high lands" are purely relative; that the distinctive character of the boundary is its dividing the waters; and that the absolute elevation, the continuity, the depressions, and the character of the ground over which that dividing line passes cannot affect the question. Governor Sullivan's blunder in that respect was the source whence arose our difficulties, and which led our government to declare, in fact, that in its opinion there were, in the topography of the country, obstacles to the execution of the treaty. And even apart of Mr. Livingston's incomprehensible proposal, it seems to me, from the general course of negotiations since the award or mystification of the King of the Netherlands, that our government at Washington has not taken the pains to imbue itself thoroughly with the merits of the case and the points on which the question in reality turned. I think, therefore, that if, for the sake of procrastination, new surveys are resorted to, great care should be taken, in giving the assent, to guard against any inference unfavorable to the rights of Maine which might be drawn from that acquiescence.

I believe at the same time that the corner of territory watered by the Restigouche might be yielded without its being a disgraceful concession. The letter of the treaty is in our favor; but resorting to the intentions of the parties, I am inclined to think that, if the negotiators had known the fact, they would have defined the north-west angle as being at the intersection of the north line with the highlands which divided the rivers emptying into the Atlantic from those falling into the *Gulf* or river St. Lawrence.

Unfortunately, this concession would not give to Great Britain what she wants, and I do not perceive, unless she should be induced to yield altogether, how the dispute can be ultimately

arranged peaceably otherwise than by an amicable exchange of territory. Yet, for myself, I would prefer another attempt (properly defined and guarded) to refer the subject to a foreign independent sovereign, to war.

I have the honor to be, respectfully, your obedient servant.

GALLATIN TO WM. WOODBRIDGE, GOVERNOR OF MICHIGAN.

NEW YORK, 19th September, 1840.

SIR,—Your letter of 25th May has been duly received. My age and infirmities do not permit me to write long letters, still less to enter into discussions of important public questions. Yet on that which you proposed I never entertained or now have any doubt. The title of the United States to the lands within the new Western States is derived either from treaties with foreign nations or from cessions of some of the thirteen original States. The United States never had any claim to lands in Vermont and Kentucky, because both those States were entirely within the chartered and acknowledged bounds of old States, Kentucky within those of Virginia, and Vermont within those of New York and New Hampshire; and Virginia, New York, and New Hampshire ceded their rights respectively to the people of Kentucky and of Vermont, and not to the United States. All the lands south of the Lakes, east of the Mississippi, west of Pennsylvania, and north of the Ohio were, prior to the war of independence, claimed by the Crown. Almost if not the whole was claimed by Virginia as lying within its chartered bounds, and portions were, on the same principle, also claimed by Massachusetts, Connecticut, and New York. By virtue of cessions from those several States and of the treaty of peace of 1783 with Great Britain, every possible claim (save that of the aborigines and a few previous French grants to the inhabitants of Detroit, Vincennes, and Kaskaskia) to those lands was released to the confederated thirteen United States, whose title to the same was indisputable and questioned by none.

By the ordinance of 1787 it is declared that certain articles

shall be considered as articles of compact between the original States and the people and States in the said territory, and forever remain unalterable, unless by common consent, to wit: and the fourth article contains the following provisions:

The Legislatures of those districts, or new States, shall never interfere with the primary disposal of the soil by the United States in Congress assembled, nor with any regulations Congress may find necessary for securing the title in such soil to the bona fide purchasers. No tax shall be imposed on lands the property of the United States, and in no case shall non-resident proprietors be taxed higher than residents.

I have always considered those provisions as just in themselves and binding on the parties.

It is true that, generally speaking, the right of sovereignty embraces that of the unappropriated soil. But that right may, like all others, be limited by contract. To declare war, to make peace, to coin money, are attributes of sovereignty universally acknowledged. Yet they have been yielded to the general or common government by the several independent sovereign States of America. The Western States have all been admitted in the Union subsequent to the adoption of the Constitution, which provides that "the Congress shall have power to dispose of, and make all needful rules and regulations respecting the territory or other property belonging to the United States, &c."

I do not recollect ever to have heard it suggested that the new States had or claimed a right to the soil by virtue of their sovereignty till after my return from Europe, in the year 1823; and I was quite astonished when, for the first time, I heard the claim asserted in a speech of Mr. Hendricks, of Indiana.

I certainly never had entertained such an idea; and I presume that any report which may have reached you has grown out of some confused notion respecting a letter written by me as Secretary of the Treasury to Mr. Giles, chairman of the committee on the admission of the North-West Territory into the Union; of which I enclose a copy.

Congress very properly reduced the term of exemption from taxation from ten to five years; and now that the idea of a quid pro quo has been set aside, and that the lands are sold for cash,

I see no reason why the lands once sold should be at all exempted from taxation. But it is a matter of regret that the ten per cent. intended for the national road should have been reduced.

Whether, now that the public debt has been paid, there may not be considerations in favor of a less rigid line of policy, is another question. Michigan has certainly a right to be treated as favorably as any other of the Western States. Every arrangement, however, should be by mutual consent, and with a due regard for the rights of the people of every part of the Union. For my part, I wish that the public lands, now that the resources of the Union are sufficient to meet any exigency, might be so disposed of as to become in fact (as was the case under the colonial system) the patrimony of the poorer classes of society throughout the Union.

I have the honor to be, with great respect, sir, your obedient servant.

I never had any conversation with Mr. Griswold, and do not recollect any with Mr. Randolph, on the subject.

GALLATIN TO BENJ. C. HOWARD.

New York, 5th November, 1840.

Dear Sir,—I have this moment received your favor of 3d of this month, and enclose by mail a copy of my argument on the North-Eastern boundary. . . .

As I did devote near two years of my time to that subject, I certainly ought to understand it; but in a popular lecture you should try to simplify it. The four questions, stated both in the Preface and at the beginning of No. 11 of the Appendix, are the only questions at issue between the two governments; and the recapitulation was intended as the substance of the argument.

You may find it more easy to simplify than to add something new, as I am perfectly satisfied that I have taken the true ground, from which both Mr. Edward Livingston and Mr.

Louis McLane had, when Secretary of State, sadly departed, simply because they did not take the trouble to examine the subject.

There is, however, a portion which I have only sketched, and on which you could add something more pointed at least than what I have said,—I mean a full reply to the report of Messrs. Featherstonhaugh and Mudge. That document I was obliged to treat much more tenderly than it did deserve, on account of its having been laid before Parliament by Lord Palmerston, whom I did not wish to irritate in a work of which I have sent copies to every British statesman I knew, and in which I appeal to the justice of that government. For if it persists in refusing it, where is our remedy? Detesting a recourse to war, unless it is actually made or forced upon us, I know of no other way than to appeal to public opinion both in England and in other foreign countries. This has been too much neglected by our government, and induced me, notwithstanding my age and love of repose, to make this publication.

With that object in view, I think it necessary that the report of Messrs. F. and M., which, in the absence of other documents and sustained by an apparatus of scientific observations, has produced an unfavorable effect in England, should be more fully exposed and castigated than has been done [by] me; for I have only indicated its principal errors, as I have mildly designated that tissue of folly, mendacity, and effrontery. I wish, therefore, that you could obtain a copy of it from Washington, which would enable you, after giving a short and popular outline of the question, to exhibit that arrant piece of quackery in its true colors. There is room for sarcasm as well as for argument; and I think your lecture would have more originality, be more entertaining, and, what is of greater importance, be more useful. Excuse these suggestions, and, after all, follow your own view of the subject.

I remain, respectfully, dear sir, your obedient servant.

GALLATIN TO PETER J. NEVINS, &c.

New York, 9th February, 1841.

Gentlemen,—I had the honor to receive your letter dated yesterday. I believe that Mr. John L. Lawrence is in every respect qualified for the office of collector of this port. I know him to be a man of strict integrity and one of our most honorable and respectable fellow-citizens; and there is no one, within the limited circle of my personal acquaintance in this city, whose appointment would be more gratifying to me.

At the same time I beg leave to observe that, from the time I ceased to be employed in the public service, I determined, for obvious reasons, not to intrude my unasked advice on the Administration; above all, never to apply for removal or recommend for office. To that resolution I have scrupulously adhered; and I may add that I have no claim on the next Administration, and do not entertain the belief that my opinion can add any weight to a recommendation so respectable as your own.

I have the honor, &c.

N.B.—Mentioned verbally to Mr. Lawrence that the gentlemen might make any use they pleased of my letter, but must not ask my permission or any explanation.

GALLATIN TO JOHN M. BOTTS, M.C.

New York, 14th June, 1841.

Sir,—I had duly received the letter you addressed to me last winter, and had hoped that my declining to answer it would satisfy you that I had an insurmountable objection to any use whatever being made of any conversation that may have taken place between Mr. Jefferson and myself on the subject of the Bank of the United States. I will only say that the report which reached you was imperfect and incorrect, and that he

lived and died a decided enemy to our banking system generally, and specially to a bank of the United States.

My last essay, the receipt of which you do me the honor to acknowledge, was written without reference not only to parties, but even to any general political views, other than the restoration and maintenance of a sound currency. Except in its character of fiscal agent of the general government, I attach much less importance to a national bank than several of those who are in favor of it; and perhaps on that account it is a matter of regret to me that it should continue to be, as it has been since General Jackson's accession to the Presidency, and not before, a subject of warm contention and the pivot on which the politics of the country are to turn. I am quite sure that if this takes place, and the issue before the people be bank or no bank, those who shall have succeeded in establishing that institution will be crushed. I do not doubt your sincerity and bravery; but the cause is really not worth dying for. Did I believe that a bank of the United States would effectually secure us a sound currency, I would think it a duty, at all hazards, to promote the object. As the question now stands, I would at least wait till the wishes of the people were better ascertained. So far as I know, the opponents are most active, virulent, and extremely desirous that the great contest should turn on that point; the friends, speculators and bankrupts excepted, are disinterested and not over-zealous.

I have the honor to be, respectfully, sir, your obedient servant.

GALLATIN TO R. M. T. HUNTER, M.C.

New York, 12th July, 1841.

Sir,—I was so prostrated by the heat that I could not attend to the plan for collecting and disbursing the public revenue, transmitted along with your letter of 27th June. Nor have I, even now, sufficiently investigated it to form a decisive opinion of its utility or practicability. Old men are not the most proper

judges of new *projects*, as they are naturally afraid of innovations. My principal objection to the plan is that it is an experiment.

Taxes are less oppressive in proportion as they are less felt. It is an objection to direct taxes that they must be paid at once for the whole year. In France, where they are heavy, the inconvenience was such that they have been made payable in twelve monthly instalments. There is at least that advantage in indirect taxation, that the consumer who ultimately pays the tax does it imperceptibly, and at the same time when he pays for the article consumed, which is generally the most convenient for him to pay. The question in relation to the collection of duties by government is, what is the most convenient time and mode of payment by the merchants on whom it falls in the first instance?

Your plan and report show that you are fully aware of the fact that by far the greater part of all large payments, whether public or private, are effected by the transfer of respective debits and credits; for which purpose you wish to place in immediate contact the debtors and creditors of government. But those creditors have debts to pay or expenses to defray; and those debtors or merchants rely almost exclusively for the payment of the duties on the simultaneous collection of the debts due to them. It seems to me that there would be a great inconvenience in being compelled to concentrate in a single day all their payments for one quarter, unless the same usage could be made to prevail with respect to the debts due to them. I should also think that, although the nominal payments by the Treasury proper might be made to conform with the plan, it would be extremely inconvenient for the parties concerned that all the actual payments by the War and Navy Departments should be made on the same day once only every three months. You will be pleased to consider those desultory observations as merely suggesting some of the difficulties which might occur in carrying the plan into effect.

I presume that your object was to offer a substitute for the sub-treasury. The fact is that there has been no difficulty in the collection or safe-keeping of the public moneys so long as we had a national bank, or, in its absence, so long as the State banks sustained specie payments. With all its defects and dan-

gers, Congress cannot prevent a bank currency from being that of the people at large. The suspension of specie payments is the great and natural disease of the system. Whenever it takes place, the general currency ceases to be uniform, that is to say, to be everywhere equivalent to gold and silver. Amongst other and greater evils, it cannot be used, in conformity with the Constitution, for the collection of the revenue and for the public expenditures. Hence my anxiety that a remedy may be found for that evil. In the mean while, a modification of the sub-treasury, that will permit the use of specie-paying banks as depositories and of their notes as a public currency, united with the continuation of the issues of Treasury notes for the same purpose (viz., for the payment of duties, &c.), appears to me to be in every respect the most eligible mode. It should be adopted for the present, even if a national bank was established, until that institution was organized and had substituted its own notes.

You may have constitutional objections to such banks which I do not entertain. Viewed only as a question of expediency and in reference to the general government, I have no doubt of its great convenience and utility for all the purposes above stated, provided that it is laid under proper restrictions and affords a guarantee against its own suspension. For which purposes I deem it indispensable, 1st, that the restrictions should be enforced, not by occasional, but by actual, complete, and at least semi-annual inspections, carried on by officers appointed for that special purpose; 2d, that in case any of its branches did suspend its specie payments, the bank should cease to issue any of its notes whatever until those payments were resumed; and that if the suspension continued beyond the definite time determined by the act of incorporation, the bank should be ipso facto dissolved and its charter forfeited.

For the soundness of my opinion on the last point, I rely much less on any general abstract argument than on the lessons of experience. The banks of New York would have forfeited their charters on the 10th of May, 1838, if they had not resumed specie payments on that very day; having taken an active part in that event, I may say that it is doubtful whether it would have taken place had they not been thus compelled to resume.

The want of a similar provision enabled the United States Bank of Pennsylvania to prolong and renew the suspension; and the preponderating, in this instance most baneful, influence which its overwhelming capital gave it over the other moneyed institutions of three-fourths of the country, has been and continues to be seen and felt, in the present state of the currency, in such manner as seems to require no comment. It may be said that continued unfavorable foreign exchanges, accompanied by other untoward circumstances, might force even a great and well-administered bank into a temporary suspension; and on that account it is that I ask for a forfeiture of its charter only in case the suspension should be prolonged beyond a certain time (say not less than six nor more than twelve months). I have doubts respecting several other points, but none on this; and, however friendly to a bank of the United States, I would without hesitation vote against the incorporation of any which did not embrace that provision, and protect the country against the recurrence of such scenes as we have seen, and of such state of things as a great, concentrated moneyed power may again produce, if not efficiently coerced to perform its duty.

My hopes of the action of the national in regulating the currency of the State banks are less sanguine than they were formerly; and I believe the application of a bankrupt law to those institutions to be by far a more efficacious remedy. But, provided we are guarded against its abuse, the power of the Bank of the United States over the general currency, be it greater or less, will be beneficial.

I ought perhaps to apologize for having gone beyond the object of your inquiry, but the subjects are intimately connected, and I was naturally drawn into that one which is in every respect most familiar to me.

GALLATIN TO MICHEL CHEVALIER.

NEW YORK, le 14 septembre, 1841.

MONSIEUR,—J'ai été tellement affaissé par les infirmités de mon âge et les chaleurs de notre été, que depuis le mois de juin jusques à présent je me suis trouvé incapable de m'occuper d'aucun objet sérieux. L'automne m'est plus favorable, et j'ai pu lire et apprécier votre bel ouvrage sur les communications intérieures des États-Unis. Il est réellement surprenant que ce soit à vous, dont le séjour ici a été si court, que nous soyons redevables du tableau le plus graphique et le plus vrai de notre état social, et de la seule description exacte et complète de nos travaux intérieurs. Je suis très-reconnaissant de la manière bienveillante dont vous avez parlé de moi, et je suis flatté de voir mon nom, pour ainsi dire, associé au vôtre.

Nous nous trouvons dans ce moment arrêtés dans notre marche, mais ce n'est qu'un retard. Personne n'a mieux vu que vous qu'il y a plus d'énergie et d'ardeur que de prudence dans les États-Unis. On s'est trop hâté; et au lieu d'accélérer, on a par là retardé l'heure du succès. Quelques états avec une population croissant rapidement mais encore insuffisante, et n'ayant pas encore eu le temps d'accumuler des capitaux, ont commencé, sans autre ressource que le crédit, des ouvrages que sept à huit ans plus tard on aurait pu exécuter sans difficulté. Plusieurs se sont obstinés à emprunter chaque année et la somme nécessaire pour les travaux de l'année et celle dont, ne voulant imposer aucune taxe, on avait besoin pour payer les intérêts toujours croissants de la dette. Puis voyant que le crédit baissait, on a cru pouvoir y remédier en établissant des banques hors de toute proportion avec les besoins légitimes du pays; et c'est précisément ce qui a achevé de le détruire. Vous pouvez néanmoins être assuré que, quoique sous l'influence de toutes ces causes nous ayons essuyé une chute, nous nous relèverons naturellement et nécessairement, que ceci n'est qu'une suspension momentanée, et qu'à l'avenir nos progrès, probablement un peu plus lents, n'en seront que plus solides. Je puis même dire qu'en Pennsylvanie, par exemple, quoique les dépenses annuelles d'entretien et de surintendance ajoutées aux

intérêts de la dette contractée pour la construction des canaux et des chemins de fer excèdent considérablement le montant des péages perçus par l'état, l'augmentation dans la valeur locale des produits de l'agriculture et des mines due à ces nouvelles communications s'élève dès à présent à une somme très-supérieure à celle des taxes qu'on doit imposer pour faire face au déficit.

Je ne puis pas vous donner l'équivalent de votre beau présent, mais je vous prie d'accepter comme souvenir et comme marque de ma reconnaissance cinq écrits composés depuis ma retraite des affaires publiques. Les trois derniers ont été publiés depuis que vous nous avez quittés. Le plus volumineux, celui qui traite de l'ethnographie des nations aborigènes de la partie de l'Amérique au Nord des colonies espagnoles, est le fruit de mes loisirs et n'a aucun rapport avec la politique. Je désire, si je le puis, y ajouter un supplément, déjà commencé, qui contiendrait quelques considérations qui se rattachent aux principes de la première civilisation et à l'histoire de l'homme.

Veuillez, monsieur, agréer l'assurance de ma considération distinguée, &c.

GALLATIN TO J. ABBOT, JR.

NEW YORK, October 14, 1841.

SIR,—I had the honor to receive your letter asking my opinion on the propriety and effects of a resumption of specie payments by the banks of West New Jersey.

Banks have been permitted to issue paper money on the express condition that they should sustain its value at par with specie. Whenever the condition ceases to be performed, the privilege should likewise cease to exist. If that natural principle was rigidly adhered to, if the banks were expressly forbidden to issue the notes of any suspended bank (including, of course, their own notes when they had themselves suspended specie payments), this alone would in most cases prevent a suspension; and when it did not, the provision must necessarily enable the suspended bank or banks, if solvent, to resume specie payments within a very short time. A much greater indulgence has been

granted to banks—much greater, certainly, in this instance—than was necessary. But it is not the less an obvious moral and legal duty on their part, in the case of a general suspension, to resume as soon as possible. On that subject, as well as on the intolerable evils and immoral tendency of a depreciated currency, I have nothing to add to what I have already published on several occasions before, during, and since the suspension in this city, and I beg leave to refer you to my last Essay and Appendix (particularly, Essay, pages 20–24 and 59–62; Appendix, pages 101–114).

If a sense of justice be not a sufficient motive, it seems to me that their interest should induce the banks to perform their duty. The patience of the people is nearly exhausted. They have waited from time to time, always expecting the promised restoration of a sound currency. They now see that nothing has been done in that respect by the change of Administration, that nothing can be expected from it. The opposition to banks, strengthened by the catastrophe of the United States Bank, and by numerous other failures and defalcations, is daily gaining ground, and its effect on the banking system generally and indiscriminately cannot be otherwise averted than by a speedy restoration of the currency. I would indeed myself prefer a total exclusion of paper money to a continuance of that system as now organized and administered west and south of New York.

In order to be able to resume specie payments, the banks which have suspended must have made the necessary preparations. It is not a matter of opinion, but a mathematical truth, that this can be effected in no other manner than by a diminution of the liabilities of the banks and a corresponding curtailing of its own loans and discounts. This last measure is always inconvenient to the borrowers, who call it an injury to the community. The continued suspension of specie payments and circulation of a depreciated currency are the general evil and the true injury to the community at large. The reduction in the amount of discounts is a partial evil which falls precisely on those who ought to bear it, since it was the excess of the loans which was the cause of the suspension. Two years have elapsed since this took place for the second time. If any of the sus-

pended banks have not, during a period so amply sufficient for the purpose, gradually lessened their discounts and their liabilities, so as to be prepared for an immediate resumption, it is their own fault; and it is far better that some of them should, if necessary, wind up their business rather than that those which are sound and prepared should continue to suspend their payments, and that the whole community should still be afflicted with a spurious currency, and that the general interest should still be sacrificed for the benefit of the few. The interest of those borrowers who oppose a resumption may be combined with that of some of the banks, either on account of their own embarrassment, as was the case with the United States Bank of Pennsylvania, or because they make larger profits so long as they are not compelled to curtail their discounts. In either case, plausible pretences for further delay are never wanted; and of this we had sufficient evidence prior to the resumption of specie payments by the banks of this city.

It is notorious, 1st, that they did resume, not only without waiting for the co-operation of the other banks, but notwithstanding the various reasons or pretences alleged in opposition to that measure, all which were founded on its presumed impracticability, or on the pretended general distress which it would cause; 2dly, that the resumption was effected with great ease, and without being attended with any of the fatal consequences which had been predicted; 3dly, that within less than three months the example was generally followed by all the banks of the United States; 4thly, that the subsequent suspensions were caused, exclusively in all but some of the South-Western States, by the inconceivable and unparalleled mismanagement of the United States Bank of Pennsylvania.

As far as I am able to judge, the reasons now alleged for a continued suspension, which are drawn from the supposed inconveniences of a partial resumption, are as unfounded as those which were adduced for this same purpose in 1838. I cannot, for instance, perceive how the fact that the produce of West New Jersey is mostly sold in Philadelphia and paid for in Philadelphia currency can, if your banks should resume before Philadelphia, prove more injurious to the producer and to the

country than it now is. The price obtained for the produce, that given for the goods purchased in return, or the amount of debt payable in Philadelphia extinguished with the proceeds, will remain precisely the same.

But the plea of expediency, whether well founded or frivolous, is utterly inadmissible when the question is one, not of profit and loss, but of justice. I cannot see any substantial difference between an attempt to prove that the deteriorated specie currency issued by a coiner is a public benefit and the assertion that the suppression of a depreciated paper currency is a public injury. Repudiating, therefore, every objection to a resumption founded on presumed convenience or expediency, the fact remains to be ascertained, whether the sound banks of West New Jersey have generally made such preparations as will enable them at this time to resume and to maintain specie payments. Of this you are the only competent judges. With their actual situation I am unacquainted, and can at most only point out in a general way the obstacles which, if they have not been foreseen, might defeat the attempt.

There are always, in resuming specie payments after a protracted suspension, difficulties to be encountered, which vary in different places and at different times. In the intercourse between two countries, or two districts of the same country, that which is possessed of the greatest circulating capital will generally be creditor of the other. The city of New York, partly on that account, and also from its having become the principal centre of the commerce and money transactions of the United States, is generally creditor in reference to all the other sections of the country; but, for the same reasons, the United States are generally indebted to Europe, and New York is the place where that debt is concentrated and must be provided for. On that account it would have been very difficult for the banks of New York to resume so long as the foreign exchanges were unfavorable, and they must always be prepared for such a contingency. At this moment there is a continued exportation of specie from this port to Europe amounting to 4 or 500,000 dollars a week, and which, in the opinion of men of business, may continue six weeks longer. As yet it has not affected our banks, the specie

wanted having been supplied by an influx from various parts of the country. It must be admitted that this drain, whilst it continues, renders the general resumption somewhat more difficult; but the portion which you might be called on to supply would be so small that, so far as you are concerned, it can hardly be considered as an impediment.

West New Jersey is, however, in the natural course of trade, generally indebted to Philadelphia; and if, as a necessary preliminary to a resumption, the portion of that debt which is payable, not in Philadelphia, but in New Jersey, has not been considerably diminished, money-dealers may, if you resume before Philadelphia, compel your merchants to pay that portion in specie. This might render it necessary for your banks to be better provided than would otherwise be requisite; and it seems to me that this is the only special difficulty growing out of your commercial connection with Philadelphia which you have to encounter.

I take it for granted that your banks have preserved the public confidence at home, and will be supported by the community so far as to be in no danger of a sudden run whenever you resume. It was the total loss of public confidence by the United States Bank of Pennsylvania which caused the failure of the attempt to resume in January last. There would have been no difficulty had the other banks of Philadelphia resumed alone, without making the vain attempt to sustain that bankrupt institution.

I hesitated whether I would answer your letter, partly because I had not the information necessary to form a correct opinion of the immediate practicability, which, in my view of the subject, is the only question open to discussion, partly because neither this city nor perhaps the country at large can be materially affected by the course you may pursue, and I had no wish or business to meddle with the local concerns of another State. Yet, though the evils of a protracted suspension on your part may fall almost exclusively upon yourselves, I am fully sensible of the moral effect which your resuming, without waiting for the action of the adjacent State, may have on public opinion there and in other quarters.

There appears to be increasing disposition in Philadelphia and New Orleans towards an early resumption, and I cherish the hope that it will be found practicable in both places. That event would in its consequences be decisive and restore the currency almost universally.

My last essay, published in June, consists principally of an inquiry into the means by which a recurrence of the evil may be prevented. I have requested the publishers to send you six copies, to be distributed as you may think proper, and I will thank you to let me know whether you have received them.

I have, &c.

GALLATIN TO A. C. FLAGG.

New York, 24th December, 1841.

Dear Sir,—I have directed Messrs. Wiley & Putnam, booksellers, to forward to you twenty copies of my last essay on banks and currency; and I pray you to accept one for yourself, and to have the goodness to distribute the others amongst such persons (legislators, editors, &c.) as, in your opinion, are disposed to investigate the subject. I am sensible of the intrinsic difficulties of the subject; that a paper currency, by whomsoever and however issued, will ever be a dangerous instrument; and that business cannot be carried on as advantageously for the parties concerned, or with equal safety to the public, by joint stock companies as when managed by the parties themselves. But efficient and perfect remedies for those evils, if there be any such, cannot be applied at this time, nor at any time, otherwise than gradually. My object has been only to suggest such provisions as, in the mean while, may be applicable to the present state of things, supersede the necessity of special laws, assimilate the chartered and the free banks, and do equal justice to all. If my health and strength permit, I will address to you some further observations on those topics. In the mean while, I embrace with pleasure this opportunity of renewing the assurances of my high consideration and sincere regard.

Respectfully, your obedient servant.

I hope that the Legislature will stop the farther increase of public debt, which is the road to ruin. Far better to lay equal taxes than to borrow in time of peace. The public is greatly indebted to you for having called their attention to the frightful amount of debt incurred by the several States.

GALLATIN TO CALEB CUSHING, M.C.

NEW YORK, 28th December, 1841.

I write with difficulty, and have on hand a work which must be terminated this week, and will occupy me exclusively to the end of it. I have only time to acknowledge the receipt of your letter of the 23d, and to say that I am averse to the issuing of a paper currency, by government, of the same character as bank-notes, as contemplated by the report of the Secretary of Treasury, and equally so to government dealing in any way in exchanges, otherwise than for its express wants and purposes. If health and strength permit, I will try, in the course of next week, to state to you the reasons on which my opinion is founded.

I have, &c.

GALLATIN TO A. C. FLAGG.

NEW YORK, December 31, 1841.

DEAR SIR,—In my letter of the 24th I announced my intention of adding some further observations on the subject-matter of my last essay on banks and currency. These, however, will be little more than a recapitulation of that portion of the essay which relates to the double banking system of this State.

In order that I may not be misunderstood, some preliminary explanations may be proper.

I use the term banking in that sense in which it is universally understood in the United States; that is to say, as implying the permission to issue a paper currency.

By free banking, in its genuine sense, I understand the exten-

sion of that permission to all persons or associations of persons, free of all restraints, but on his or their personal responsibility.

It is only as regards the permission to issue a paper currency that I think restrictions to be necessary. In every other respect there is no more reason for laying restrictions on banking operations than on any other species of business; at least when the parties are personally responsible.

It appears to me unnecessary at this time to discuss the question whether the best ultimate plan would not be the adoption of a true free banking system as I have defined it.

Such is, indeed, the system which has prevailed for more than a century in Great Britain. I am nevertheless of opinion that it cannot be practically or usefully applied to the United States. I believe that, with our present inveterate habits on the subject of bank-notes, the poor and the ignorant would be incapable of judging between sound and bad paper, that they would be exposed to perpetual impositions and losses, and that it is one of the cases in which, for their protection, legislative interference is legitimate and necessary. This, however, is matter of opinion. If the people are in favor of the experiment, let it be tried. I will only observe that the profits of honest banking by the existing banks or banking associations are so small, when compared with those generally realized by men in active business, that I do not believe that honest and responsible capitalists could be substituted for the existing banks. It would, at all events, be necessary to enable them to lend their money at its market price, and for that purpose to repeal the usury laws to the same extent as in Great Britain; that is to say, in reference to bills of exchange and negotiable or mercantile paper payable to bearer or to order.

For the present, taking things as they now are, I have confined my observations to the remedies which may be applied to the evils growing out of the existence of irresponsible banks or banking associations.

It is not necessary to inquire whether the banks created under what is called the free banking law are technically corporations, or are according to the provisions of the Constitution to be considered as such. It is sufficient to observe that, in point of fact, they have not only all the privileges necessary to enable them to

make contracts, to institute suits, and generally to carry on all their operations in their joint name and character, in the same manner as private persons, or as if they were technically incorporated; but that they are also, in common with specially chartered banks, exonerated from all personal responsibility.

The two prominent defects of the existing law, and which must strike every one on the first view of the subject, are, first, the inconsistency of having two different systems in operation at the same time for equally irresponsible joint stock companies, between which there is no other difference than that some were originally created by special laws, and the other by virtue of a general law; secondly, that, having exonerated all the parties concerned, either as stockholders or as officers, in the new joint stock companies from any personal responsibility, no other efficient guarantee should have been required from them as a substitute for that responsibility.

On the first point it would seem that there could be no difference of opinion. Restraints are either necessary or useless. If necessary, they should be equally applied to all; if useless, they should be repealed in reference to all the banking institutions. By assimilating the chartered banks and the new banking associations, there will be no use or pretence for special laws on that subject. After having determined on the conditions and restraints which may be deemed efficient and essential, nothing more will be necessary than a legislative provision which will enable the chartered banks to come at once under the general law without being obliged to undergo the process of dissolution and of a new reorganization. The second point appears to be the only one which requires more minute investigation.

If we have the example of Great Britain in proof of the practicability of a system of true responsible free banking, we had none whatever of a general permission to issue paper currency without either personal responsibility or some conditions and restraints substituting another sufficient guarantee in lieu of personal responsibility. It must ever be remembered that the exoneration from such responsibility is by far the most important and most dangerous privilege bestowed upon the old and new banks, and that no reason can be alleged why that privilege

should be allowed, without a satisfactory guarantee, to the issuers of a paper currency rather than to any other class of merchants or dealers.

The conditions or restraints which had heretofore been deemed necessary, referred either to the objects for which the banks were created, to the guarantee substituted in lieu of personal responsibility, or to the event of banks becoming insolvent or suspending their payments.

With respect to the objects of the banking institutions, dear-bought experience must have taught the absolute necessity of defining with precision the species of business which the banks might lawfully carry on, and of expressly excluding such as they might naturally be tempted to connect with their legitimate operations. It is notorious that, independent of the fraudulent institutions to which the general law gave rise, there is hardly one which has not been induced, compelled, or invited to deal more or less in public stocks, and which has not been injured by it. Examples might be quoted where the law was, contrary to the intention of the Legislature, used for the sole purpose of creating associations of irresponsible stock-jobbers. It has already been found necessary by an amendatory Act to prohibit the issue of post-notes or of notes bearing interest. It appears equally essential to prohibit the dealing in stock of any description on the part of those institutions. The example of a neighboring State has clearly proved the danger, both to the State and to the banks, of resorting to them, even for the purpose of supplying temporary wants, but still more so when the object is to sustain by artificial means the credit of the State and the market price of its stocks.

It cannot be necessary at this time to bring additional arguments for the purpose of showing the necessity of an absolute prohibition to deal in any stocks foreign to the State.

The guarantee substituted for personal responsibility, which had always been required from the chartered banks, was the actual payment in specie of a capital fixed by law. The omission of a similar provision is the fundamental error of the existing free banking law. It appears essential that those provisions to which the chartered banks were subject, and which

relate to the duration of the bank, to the amount of capital, and to its actual payment in specie and only in specie, should be applied to the new joint stock companies.

For the same reason it appears equally proper that the preventive restraints intended to preserve the capital should apply to all the banking associations. The reasons why the limitation of the amount of the loans and discounts of a bank may alone be sufficient for the purpose intended, and why that amount should not exceed fifty to sixty per cent. beyond the amount of the capital of the bank, have been given in the essay, to which I beg also leave to refer you as regards some other suggestions of a similar character, but of less importance. A prohibition to make dividends beyond a certain rate might prove advantageous, but would not alone prevent a dangerous increase of loans and discounts.

The paramount utility of the general law, by which it was enacted that any incorporated company insolvent or having suspended its payment for one year should be deemed to have surrendered all its rights and privileges and should be adjudged to be dissolved, has been sufficiently tested by experience, and no doubt is entertained that it ought to be expressly applied to all joint stock banking associations.

I had at an early date suggested to you, and have since tried to show, the propriety of arresting at once the circulation of the notes of any suspended bank from the moment when it suspends its specie payments to the time when it may resume them.

It will be generally admitted that if, on account of their irresponsibility, chartered banks and other banking associations must be permitted to carry on their operations only upon certain conditions and under certain restraints defined by an equal and general law, any restriction either unnecessary, purely nominal, or which cannot be carried into effect is dangerous, has a tendency to deceive the public by the appearance of a fallacious guarantee, and should therefore be avoided or repealed. It cannot be denied that the application to the new joint stock companies of those conditions which are proper with respect to the old banks is just and necessary. And I think that I am

fully warranted in saying that the utility and practicability of those few and simple conditions, now applicable to the chartered banks (which I wish to be preserved and applied to all banking associations), has been satisfactorily approved by experience. A few solitary exceptions will happen under the operation of any law whatever, and afford no argument against the general utility of the law.

Independent of some less important regulations or restraints which might be dispensed with, I have pointed out, as appearing to me either improper in themselves or affording only a false security, the three following:

First, any attempt whatever to regulate exchange, to compel banks to redeem their notes at par or at a certain discount at any other place than that specified on the face of the notes, or in any way to give a uniform value in different places to bank-notes, which are in their nature a local currency. All such attempts appear to me to have been made under the erroneous belief that a paper currency can do that which gold and silver, of which it is the representative, cannot perform.

Secondly, any provision which makes a well-conducted bank responsible for the acts and misdeeds of another bank, over which it cannot possibly have any control.

Thirdly, the obligation on the part of a bank or banking association to deposit in the hands of a public officer either mortgages or stocks, for the purpose of securing the ultimate payment of its notes or other liabilities. Although this last mode affords no remedy against the losses always incident to a suspension of specie payments even when the notes are ultimately redeemed, it may, if properly modified, give some security for that ultimate redemption, and is much less exceptionable than the obligation imposed on every chartered bank to be responsible for the misconduct of the others to an amount not exceeding an annual payment of one-half per cent. on its capital. Although it may be with propriety alleged that the banks did voluntarily accept their charters with that condition annexed, the obligation is nevertheless unjust in itself; it is also injurious to the public, in as far as it gives to some banks an artificial credit beyond that to which they may be justly entitled;

and it appears to me that in this, as in all other cases, the law ought to be the same for every species of irresponsible bank or banking association.

Permit me to advert here to the extraordinary difference in the public opinion on the subject of banks between this State and other parts of the Union.

The banks, with a few insulated exceptions, have, in all the States south and west of New York, suspended specie payments for more than two years; a state of things which could not have continued to exist so long had it not been prolonged by successive legislative enactments, and therefore been sustained by public opinion.

On the other hand, although the banks of New York can claim no other merit than that of having performed their duty, yet it was an arduous one. It was, in the first instance, performed by them alone, and in the face of a strong opposition; and it cannot be denied that it is in a great degree to their conduct at and since that time that the country is indebted for a speedy resumption and for the maintenance of a sound paper currency in this State and in the eastern portion of the Union. Even now the task of maintaining that currency rests almost exclusively on them. This city is the centre of all the great moneyed operations of the country; whenever foreign exchanges are unfavorable, the consequent exportation of specie is principally from New York, and immediately affects the city banks. It can hardly be doubted that a suspension of specie payments on their part would instantaneously cause a similar result wherever those payments are still maintained.

The fact to which I call your attention is that, whilst the banks in other States, which have persisted in a continued violation of their engagements, have been and continue to be specially favored, those of this city have been more vehemently attacked and appear to be more unpopular than anywhere else. That the warfare was carried on against the system generally and was not personal may be admitted. But the fact is not less true that, taking the country at large, those banks have been treated with most indulgence which least deserved it. I do not wish for the slightest relaxation in favor of those of this city and State if they

should fail to perform their engagements. But I may ask for strict justice as well towards them as on their part; that they should not continue to be charged with a monopoly which no longer exists; that they should not be subject to unequal and unjust taxation; and that their profits, which, when they confine themselves to their lawful operations, are perfectly honest and legitimate, should not be represented as founded in fraud and deception.

I cannot close this letter without adverting to a subject of still greater and more immediate importance than that of the currency.

The aggregate amount of the State debts, to which you were the first to call the public attention, and its fatal consequences, are truly alarming. It is difficult to find an apology for those who have used, or rather abused, the credit of the States for banking purposes. It would be unjust and uncharitable to be too severe towards those who have promoted premature or unprofitable internal improvements and have fearlessly contemplated an indefinite increase of public debt, to be provided for by the revenue that might be derived from those works, or by the growing resources of the country. Nor can the charge be made exclusively against either of the political parties. In truth, it is only one, though probably the most fatal, branch of that universal overtrading, of that delusion from which few have escaped, and which has led into greater errors men of sanguine temper and vivid imagination.

The consequences are worse than had been anticipated by the most sober and cautious observers. The catastrophe of the United States Bank, the almost general suspension of specie payments, the continued system in Pennsylvania and elsewhere to borrow annually the amount necessary to pay the interest on the public debt, the inability on the part of some States to pay that interest, and, more fatal than all the rest, the unjust and dishonest attempt or threat, under unfounded and frivolous pretences, to repudiate the debt itself, have destroyed confidence to an extent heretofore unknown. There is at this moment what may be properly called a general panic. It exists in reference to every species of American stocks in Europe as well as here. The most inconsiderable amount of any species, without excepting

those of the State of New York, thrown in the market is sufficient at once to sink its price. The reaction is perhaps still more exaggerated than the former anticipations of speculators had been.

Those apprehensions are certainly erroneous, so far at least as relates to this State. Its resources are entire and untouched. Its great improvement, the Erie Canal, is highly productive, instead of being a charge on the public. The principal of the State debt compared with its population is at the rate of less than nine dollars a head (whilst it amounts to twenty-two dollars in Pennsylvania), and a State direct tax of $2\frac{1}{2}$ mills ($\frac{1}{4}$ per cent.) would, exclusive of other existing resources, pay the interest and in a few years discharge the principal.

Yet you may rely upon it that confidence will never be restored till the State ceases to borrow for itself or to lend its credit to others; nor indeed, as I believe, so long as it does not stop all its expenditures for internal improvements beyond the amount of its annual revenue. This may seem harsh doctrine, only because of late a different course has been pursued. No maxim is more certain than that a nation never ought to contract a debt in ordinary times, I would almost say, whilst at peace, and that at all other times it must provide by taxes for its annual expenditures. With the single exception of the debt incurred for the purchase of Louisiana, this had ever been done by the government of the United States from its organization, or at least from the year 1796, until, under some misapprehension of the amount of actual revenue, 28 millions were taken from the Treasury and distributed amongst the States; whilst at the same time the miserable Seminole war gave rise to an enormous unexpected expense. Even England, whose public debt is so frightful, has never increased, but, on the contrary, lessened it during every period of peace since the revolution of 1688 to this day.

If this maxim should hereafter be rigidly adhered to, we have nothing but a temporary embarrassment to encounter. It may be that on account of existing contracts, or of some portion of the public works which it is *absolutely necessary* to complete, the State will be compelled still to borrow something this year. This will be an evil, which should be reduced to the smallest

possible amount. It cannot be effected without a loss. Forced loans, in imitation of Pennsylvania, will not be thought of. The credit cannot be restored and the price of the stocks be raised till there is a guarantee that the amount will not be further increased.

As an apology for expressing myself in strong terms on that subject, I pray you to recollect that I have at all times tried to inculcate those principles, that I have always acted in conformity with them, and that the eighteen best years of my life were almost exclusively employed in successfully carrying them into effect.

GALLATIN TO CALEB CUSHING, M.C.

New York, January 7, 1842.

Dear Sir,—I will now try, in compliance with your request, to state my objections to the plan for a fiscal agency proposed by the Secretary of the Treasury. They apply to the issue by government of the intended paper currency, and to its dealing in exchanges otherwise than for its own express wants and purposes.

It is necessary in the first place to recollect the essential points of difference which distinguish such paper currency as is now contemplated from the Treasury notes heretofore issued by government, and which are precisely of the same character with the English exchequer bills.

These Treasury notes may indeed, under existing circumstances, be advantageously substituted for currency, for the special purpose of paying taxes and other debts due to the United States; but they never can become a part of the general currency. Being payable at a future day, and bearing interest, their market price fluctuates like that of other stocks; and they are sold and paid for, in the ordinary currency, in the same manner as any other commodity.

Inasmuch as these notes are issued regularly and gradually, and made payable on fixed days (generally one year after date respectively), government is always apprised one year in advance

of the precise sum it has to pay, and may accordingly always provide for a punctual payment. But government never can ascertain what amount of a paper currency payable on demand it may be called on to pay at any time whatever. It is in that respect as much exposed as other banks of issue to the fluctuations in the demand for specie, and to all the contingencies of general overtrading, unfavorable foreign exchanges, and panic.

This last consideration points out the first great danger of an issue by government of a paper currency payable on demand, and for the payment of which in gold or silver, to its full amount, and at any time, it stands pledged. It is the same danger to which all our banks are perpetually exposed: an involuntary inability, even in time of peace, to maintain specie payments. It is obvious that such a suspension by government would be attended with still more fatal consequences than a similar suspension by ordinary banks. It would almost necessarily induce and sanction a general suspension by those institutions; it would inflict a deep injury on the credit of the federal government; and its deleterious effect on the moral feeling of the community cannot be overrated.

The proposed issue of a stock of the United States to the amount of five millions would not afford a sufficient guarantee, even for the ultimate redemption of an issue in paper money of fifteen millions. But this contingent power to borrow money, which should always be avoided if possible, cannot prevent a temporary suspension, unless we suppose sufficient sagacity on the part of the board of control to have foreseen in time the impending crisis. It is precisely the want of that sagacity which constitutes the danger; and there is no reason to suppose that the intended board of control will, in that respect, be more highly gifted than the practical men of business who direct our banks.

Supposing, however, the new exchequer to be administered in the best possible manner, and that it should, under the proposed limitation in the amount of issues, maintain specie payments in time of peace, this would not remove the principal danger which forever attends the issue of any species of paper money by a government.

There is always in time of war, or indeed of any extraordinary pressure, the strongest temptation on the part of any government to resort to that most easy resource, a gradual but indefinite increase in the amount of that paper. We must now be satisfied by our own experience that the original promise to redeem at all times the currency on demand in gold or silver affords no guarantee against its being converted into irredeemable and depreciated paper money. There may be, but I do not recollect any instance of any paper currency issued by any government, and, once depreciated, having been redeemed at par by it. Of the reverse we have abundant proofs both abroad and at home.

The novelty of the experiment, and at this time, is another strong objection. In calling this a new experiment, I mean to say that, with a single exception abroad and some disastrous of a late date by members of the Union, no government has, within my knowledge, ever attempted to issue on its own responsibility a paper currency redeemable on demand. The suspension of specie payments by all the State banks, which were only subordinate departments of the treasury of the State, will not be quoted in support of that system.

The exception to which I allude is that of Prussia, which has within a few years put in circulation a paper currency of that description. However successful the experiment may as yet have proved, we must wait till that government has passed through the ordeal of war, or of some other equally disturbing cause, before we can draw any legitimate inference from the attempt.

England is certainly the country in which, notwithstanding a suspension of twenty years by the banks of issue, the system of a paper currency has been most extensively and successfully carried into effect. But the government of that country has always taken special care that that currency should be issued by corporations or individuals; that no responsibility should in that respect attach to government; and that its credit should not be affected by a failure on the part of those who issued the paper to perform their engagements.

I feel satisfied that the issue of a paper such as is proposed

would inflict a permanent injury on the credit of the government of the United States. It appears to me equally certain that it would be most injudicious at this time of real difficulty, of alarm and panic, when confidence in the fidelity or ability of some of the States is impaired, and the effect is felt by all the other members of the Union and by the general government.

It seems to me that a power given to the proposed exchequer to deal in exchange for any other purpose than for that of transmitting or obtaining funds where they are wanted by government, though perhaps not threatening such extensively fatal consequences as that of issuing the intended paper currency, is in other respects equally, if not more, objectionable.

In the first place, I would ask whence the power is derived. I have believed, contrary to the opinion of many respected friends, that the power of the government of the United States to select its own agent for transacting its own business did, in the present general use of banks for all fiscal purposes by the States and by individuals, imply the power to incorporate a bank of its own. But I cannot perceive from which power vested in the general government that of government to deal in exchange for the benefit of individuals is derived.

The power of regulating the rate of exchanges is not implied in that of regulating commerce. At least no trace of any attempt for that purpose is to be found either in the commercial code or in the treaties of commerce of any country. But even supposing that Congress was authorized to regulate in that respect the dealings of individuals, neither this nor any of the powers specially vested in the general government does directly or indirectly imply that of converting itself into a trading company. It may be observed in connection with that branch of the plan that it authorizes the dealing in exchanges on time for the benefit of individuals, which, however limited, is thus far an authority to discount.

Independent of the undignified position in which a government places itself when attempting to compete with individuals in any commercial pursuit, and of the pecuniary losses which must almost necessarily ensue, the danger, or at least the suspicion, of favoritism, if not of corruption, cannot be avoided.

It is a matter of regret that we need not resort to foreign precedents for proofs of the reality of that danger.

That some institutions of that kind, such as the State Bank of South Carolina, have been skilfully and honestly conducted, is true. But, amongst others, it is only necessary to advert to the fate of the State Bank of Alabama, which has lost one-half of its capital, and the directors of which, appointed by the Legislature, have been exposed to charges not only of gross mismanagement, but, though perhaps unjustly, to other of a more grave character. The recommendation of the late Governor, to transfer the appointment from the Legislature to the Executive, is alone a conclusive argument against any attempt to establish a bank on account of government.

Without even discussing the arguments adduced in support of the plan suggested by the Secretary of the Treasury, it appears to me that all the benefits, in reference either to currency or to exchanges, which, in his view of the subject, may be derived from it, are greatly outweighed by the dangers attending any system founded on that principle, and which I have attempted to point out.

On the subject of currency, I will only say that I cannot perceive how a currency equal in value to specie can displace one that is depreciated, so long as this is tolerated by the several States; nor how it can, in any respect, induce or compel a return to specie payments. It is true that this observation, if correct, would apply equally to the notes of a bank of the United States, founded on the capital of individual subscribers.

The report of the Secretary of the Treasury is not only a well-written and imposing paper, but, whether considered as an attempt to reconcile opinions perhaps irreconcilable, or viewed as an argument on one side of the question, it does great credit to the author. The most vulnerable part of it appears to me to be that which relates to exchanges.

The rates of exchange have always been regulated by the natural laws of trade, and require no other regulation. The difference in the nominal exchange between two countries or districts which is due to the depreciation of the local currency of one of them is not at all a difference of exchange, but a differ-

ence of currency. It is only because the currency is of the same denomination in both districts that, in common parlance, exchange and currency are confounded. There is no other remedy in that case but a return to specie payments.

But the true rates of exchange, that is to say, the rate at which specie, or funds equal to specie, may be transferred from one country or district to another, are necessarily governed by the relative amount of supply and demand. If a country becomes greatly indebted to another and has neither products nor specie to pay its debt, the rate of exchange may rise even above the expense and risk incident to the transportation of specie. The competition between bankers reduces it to the lowest possible amount. A banking corporation, with a very large capital and branches disseminated throughout the country, may increase the competition and be able to afford the requisite facilities on cheaper terms than private bankers. But government has no other legitimate resources for the same purpose than that portion of the balance in the Treasury which accumulated in one or more places is not immediately wanted by it in any other quarter. The necessary transfer of public moneys from the places where they are not wanted to those places where they must be expended may occasionally assist in restoring the equilibrium. But this has been and must always be done by the Treasury, without regard to the effect it may produce, and is wholly distinct from the sale or purchase of bills of exchange for other purposes than that of transmitting the public funds to the places where they are wanted.

The amount in the Treasury, beyond the immediate or proximate wants of government, will generally be too small to produce any sensible effect; at present it is a negative quantity. If government should purchase exchange beyond that amount, it must be by a dangerous additional issue of notes, payable on demand at a place where they have not sufficient funds.

But there is no necessity for such an interference on the part of government. The use of bills of exchange is coeval with the existence of commerce between different countries. That commerce between the different parts of Europe has been prodigiously increased within the last hundred years; and the ex-

changes from Leghorn to London, from Cadiz to St. Petersburg, and through all the intermediate places, have been and continue to be effected with perfect convenience and facility without the slightest interference on the part of governments, and, I may add, without the establishment of a bank of Europe.

With respect to the part of the plan which relates to the safe-keeping of public moneys, as these must necessarily be collected and ultimately disbursed by the officers of government, the question is only in reference to moneys *in transitu*, that is to say, which remain in the Treasury between the time of collection and that of disbursement. This resolves itself into the question whether they are safer in the hands of officers selected by government, or when secured by the capital of the banks in which they may be deposited. It has been decided in favor of the banks by all the States, partly on account of the great inconvenience of resorting to any other but the general local currency. To this the general government cannot resort universally without violating that clause of the Constitution which prescribes uniformity in the collection of imposts and other taxes.

The plan proposed is an improvement of the sub-treasury, in as far as it permits the use of the currency issued by specie-paying banks. It increases unnecessarily the number of officers beyond the number wanted for the special purpose of safe-keeping. The board of control, and most of the additional officers, may be dispensed with if the fiscal agency does not deal in bills of exchange for individual purposes. The plan does not give the security resulting from the capital of State banks; it affords no other guarantee, in reference to the public moneys, than the fidelity of the officers appointed by government.

The only apparent advantage that I can perceive is the active employment of the actual balance in the Treasury. The true remedy consists in reducing that balance to the smallest possible amount. This is generally the natural result of the operations of most governments. England always owes a much larger amount to the Bank of England than this owes to government, although the bank is always intrusted with the amount necessary to pay the interest on the public debt. The prospect of the revenue and expenditure, as contemplated in the reports of the

Treasury and of the other Departments, do not induce an apprehension of any great danger of an extraordinary accumulation in the Treasury.

Even in case of such a temporary accumulation, highly inconvenient as it must necessarily be, I think it would be safer and more consistent with the permanent interests of the community to have the money locked up rather than that it should be used by the banks and produce an unnatural expansion and that overtrading which is invariably followed by curtailment and distress. Might it not be better to use specie-paying banks only as depositories for safety and as disbursing agents, on the express condition that the public moneys should be considered as a special deposit not to be used for discounts, and to pay them a reasonable commission for their labor and risk?

I can really see no other reason for the plan proposed than the wish to be doing something on the subject of the currency. Some imprudent commitments may have taken place; expectations may have been inconsiderately raised. But can anything efficient in reality be accomplished? Without adverting either to the danger of an attempt to cure the evils of paper money by issuing more paper, and, in order that a bank of the United States may check the excessive issues of State banks, of allowing it a capital commensurate with the object, or to the general unpopularity, increased by late events, of such a bank, it is sufficient that at this time the establishment of a bank founded on individual subscriptions is impracticable. I am sure that this cannot and ought not to be attempted unless a great change should take place both in public opinion and in the money market. My own opinion respecting the most efficient remedy by Congress to the disordered state of the currency has already been publicly given. You know that it consists in the application of the bankrupt law to banking corporations or associations.

You suggested that anything I might write on the subject would, if I desired it, be deemed confidential. There is nothing in this letter that may not be freely communicated; and you are at liberty to use it as you may think proper.

I have, &c.

P.S.—You would confer a favor on me by sending me, if you can do it conveniently, the documents at large accompanying the annual reports of the several heads of Department, the estimates of appropriations for this year, and the annual statement of the commerce and navigation of the United States. I feel much less interest in the proposed fiscal agency than in the actual fiscal situation of the country, and in the measures which may be adopted equalizing after this year the receipts and expenditures and for meeting the deficiency of this year. You have in both respects more than ordinary difficulties to encounter.

NEW YORK BANK PRESIDENTS TO MICHAEL HOFFMAN.[1]

New York, February, 1842.

Sir,—Mr. Mann has communicated to us your letter to him requesting that he should inquire whether the banks of this city were able and willing to aid by additional loans in extricating the State from its present financial embarrassments.

The banks are so deeply interested in the result; it is so essential to the public welfare, to the commerce of this city, and to their own safety that the credit of the State should be restored and its finances placed on a permanent and secure footing, that there can be no doubt of their disposition to promote those objects to the utmost of their ability. But we are compelled to say that, in our opinion, farther advances on their part to the State would, in their situation and at this time, be highly inexpedient and improper. The comptroller, in his report of the 15th instant, has justly observed that "the commissioners of the canal fund had carried to exhaustion the *questionable* expedient of temporary loans from banks." Believing that the great object we have all in view may be attained without recurring to that expedient, we beg leave to state somewhat at large the reasons on which our opinions are founded.

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[1] Chairman of the Committee of Ways and Means of the New York Assembly.

The primary duty of banks is to maintain specie payments. How this has been performed by the banks of this city and of the State is well known. They resumed alone in 1838; the resumption which ensued in other States was due to their example and influence; and they have maintained their position notwithstanding the suspensions which have since occurred.

This city is almost universally a creditor place, with respect to the country and to the other States, and has therefore little to fear from the situation or action of any other part of the Union. But, though safe in that respect, it has become the centre of all the moneyed operations of the country, and the point where almost all the balances between the United States and foreign countries are ultimately settled. The city banks must therefore always be ready to meet every extraordinary demand for specie growing out of an unfavorable rate of foreign exchanges. For that reason, seeking much more for safety than for profit, they have reduced their circulation and their discounts within very narrow limits. Yet such was the effect of the enhanced rate of foreign bills during the last summer and autumn that the specie which, in the seventeen safety fund and the three free banks of the city, amounted, on the 1st of July, 1841, to $6,082,884, was, on the 1st of January, 1842, reduced to $3,688,806; being a diminution in six months of $2,394,078, or near two-fifths. We cannot give the precise comparative statement for the four other chartered banks (Manhattan, Fulton, North River, and Chemical), but we know that the diminution was in about the same proportion. The consequence was a corresponding lessening of loans and discounts, which, together with the stocks and all other items in their possession bearing an interest, did, on the 1st of January last, amount to less than 40 per cent. beyond their capital.

It is obvious that the banks have no other means to arrest the drain of specie than the curtailment of their discounts. State stocks owned by them prove a valuable resource only when they can be readily disposed of. The process of curtailing, inconvenient and even harsh as it may be, is the only remedy, and which cannot be applied with effect except to short business paper. The banks could not make further advances to the

State without curtailing the discounts of such paper, already much reduced; and, in case of a renewed unfavorable rate of foreign exchanges, the pressure on the commercial community might prove too severe to be passively borne.

We may appeal to experience to prove the danger of extraordinary demands on the part of governments on banks. The lamentable state of those of Philadelphia is principally due to the fatal influence of the late United States Bank of Pennsylvania. But the evil has been greatly aggravated by the forced loans extorted year after year by the State, the result of which has been not less disastrous to the State itself than to the banks. In analyzing the causes of the general suspensions in the United States of 1814 and 1837, and of that of the Bank of England in 1797, it will be found that the action of government upon the banks was, though in different degrees, in some instances the primary, in other the immediate, cause of the suspensions.

We will now submit to your consideration the reasons which induce us to believe that the finances of the State may be placed on a safe permanent footing, and its present temporary embarrassments be removed, without recurring to the banks for any direct assistance.

The 6 per cent. stock of the State was at par in the beginning of June last; and the comptroller might probably have obtained at that rate the money he wanted for the service of the year. The principal causes of the subsequent depression have been the pressure on the money market caused by the unfavorable rate of foreign exchanges; the irregular manner in which new issues of 6 per cent. stock of the Erie Railroad have time after time been thrown into the market; the dishonest voluntary repudiation of State debts, avowed in some quarters and not sufficiently discountenanced in others; above all, the apprehension of a continued and indefinite increase of the State debt. The remedy will be found, first, in making efficient provision for the payment of the interest and for the extinguishment of the principal of the existing debt, including the loan which may be absolutely necessary for the service of the year and for the payment of the floating debt; secondly, in a guarantee that no further debt shall be incurred without providing at the same time adequate resources

for the payment of both principal and interest within a short period.

The public accounts are too complex to enable us to make a correct statement of the resources and liabilities of the State. Yet we will be better understood by resorting to figures, and you may easily correct our errors in that respect. We will only try to err on the safe side, and you will perceive that those errors cannot affect the argument.

We assume that the legitimate resources of the general fund are sufficient to meet the current expenses of government, including the interest on the stock charged to it in the public accounts, and amounting to $1,255,193.

According to your statement, confirmed by the communication of the comptroller to the Legislature, of the 15th February, a loan of $3,000,000 will be sufficient to pay the temporary loans, the debts due to contractors, and (including the Chemung locks) to complete all the repairs necessary to put the canals in operation at the beginning of the season.

It appears, therefore, to us that the only provision to be made must be in reference to the punctual payment of interest on the debt and its final extinguishment within the period contemplated by law, keeping in view the obligation to reimburse about 5,000,000 of the principal in 1845 and 1846.

The interest is estimated as follows:

		Principal.	Interest.
Stocks proper of the State,		$17,561,568	$890,018
Stock loaned to companies and guaranteed by the State,		5,235,700	
Deduct loaned to Delaware and Hudson Canal, Auburn and Syracuse, Auburn and Rochester,	$1,200,000 $4,035,700		214,586
New loan (to pay temporary loans, &c.)		3,000,000	210,000
		$25,797,268	
If the $1,200,000 loaned to the aforesaid three companies be deducted,		1,200,000	
the amount to be paid by the State will be		$24,497,268	$1,314,604

(The contingency of being called upon to repay to the United States the deposit of $4,014,521 is so remote that it needs not to be now taken into consideration.)

The gross amount of tolls and for surplus water of all the State canals for the year ending 30th September, 1841, was	$1,991,094	
The expenses for salaries, repairs, and damages, ordinary and extraordinary, amounted for the same year to	521,526	
Leaving for the net canal revenue,	$1,469,568	
From which deducting annual payment to general fund,	200,000	
Leaves net amount,		$1,269,568
Intended tax of one mill on assessed property of $655,000,000,		600,000
Total resources applicable to interest and redemption of debt,		$1,869,568

Which last-mentioned sum is more than 42 per cent. beyond the interest, amounting, as per above, to $1,314,604. An annual appropriation of 33⅓ per cent., in addition to the interest payable on a 6 per cent. stock, is sufficient to extinguish the principal in twenty-two years and a half; and the old 6 per cent. domestic debt of the United States was actually paid off in that manner. The above-mentioned resources are therefore sufficient to pay within the period fixed by law the whole debt, including the $1,255,193 now charged to the general fund, even if the State was ultimately obliged to pay the $1,200,000 loaned to three companies, which have been deducted in the above estimate.

It is true that the difference between the resources and the annual interest will produce little more than two millions before the end of the year 1845, when $4,370,000 of the principal of the debt becomes due. The residue ought to be paid out of the existing available balance of moneys in the hands of the commissioners of the canal fund. The nominal amount of that balance was on the 1st October last $3,157,264, to which should be added four years' interest on the same from that date to the 30th September, 1845. But it is stated in the last communication of the comptroller that more than $500,000, part of that balance, had been loaned to banks which have suspended, and a further portion of the same balance consists of $917,385 loaned to the Treasury for the United States deposit fund. It appears, therefore, that there will be a deficiency which must be pro-

vided for out of the said deposit fund. It is also believed that if a small loan should be necessary in 1845, in order to complete the payment of the debt then becoming due, it will be obtained on advantageous terms, inasmuch as the credit of the State will then have been restored, in consequence of the provisions now contemplated.

It is evident that those provisions must be of the following character, to wit:

1st. A tax of one mill on the assessed property of the people of the State.

2d. An Act by which the following funds shall be and remain exclusively pledged for the payment of interest and principal of the whole debt due or guaranteed by the State, and including the loan of three millions intended to be authorized at this time, till the final reimbursement and extinction of the said debt; that is to say, 1st, the proceeds of the one mill tax aforesaid; 2dly, the balance of moneys now remaining in the hands of the commissioners of the canal fund, together with the interest which may hereafter accrue on the same balance; 3dly, the net proceeds of the tolls on all the State canals, after deducting therefrom the amount expended for salaries, repairs, and charges on the said canals, but not including amongst such charges and repairs those that may be incurred for the enlargement of the Erie Canal, or for any other new works, and also the annual contribution of $200,000 to the general fund.

Provided, that whenever the annual amount of the said funds shall, after the reimbursement of the loans contracted for the construction of the Erie and Champlain Canals, and of the Chenango Canal, as also of the three million loan now to be authorized, exceed the sum of $1,869,000, the surplus may be applied to such other purposes as the Legislature may direct, or the amount of the one mill tax may be proportionably reduced.

It is to a provision of this nature that we wish particularly to call your attention. We repeat that we do not pretend to have made a correct statement in all its details of the resources, liabilities, and temporary embarrassments of the State, and that we have attempted an estimate only by way of illustration. The general principles of the contemplated provisions are alone es-

sential. We will only observe that if we have underrated the immediate wants of government, it seems to us that it would be safer to add another half-mill to the tax than either to increase the amount of the proposed three million loan, or to be compelled again to recur to temporary loans or questionable expedients.

The contemplated proposition makes efficient provision for the payment of interest and reimbursement of principal of the whole debt out of the existing resources of the State, and independent of any contingent increase either of the canal tolls or of those general resources. And it affords, short of an amendment of the constitution, the best possible guarantee against an increase of the public debt. For, since the proposition embraces the proceeds of all the existing available funds of the State, it will be impossible to raise new loans without providing new resources for the payment of interest and principal.

On the other hand, should the sanguine expectations of a great and rapid increase of the canal tolls, which have been heretofore entertained, be realized, the annual surplus, which, according to the estimate of the late canal commissioners, would, in the year 1846, exceed $700,000, will, by the proviso, be at the disposal of the Legislature. It is perfectly clear that all the available resources of the State will, till that year, be wanted in order to meet the payment of the large amount due in 1845. It is equally evident to us that no loans can be obtained on reasonable terms until the credit of the State shall have been restored, and that this cannot be otherwise effected than by an ample and effective provision for the reduction of the existing debt, and by opposing a barrier against any subsequent increase not accompanied by actual instead of prospective additional resources for the payment of both principal and interest.

We have estimated the interest on the proposed three million loan at 7 per cent. When the object to be attained is nothing less than the restoration of the credit of the State and placing its finances on a safe and permanent footing, the difference of $30,000 a year for six or seven years appears to us to be a consideration of subordinate importance. It is unfortunate that the State should be obliged to borrow at a time of general pressure, and when the market price of its stocks is so much depressed.

But every State must, when it wants money, pay for it according to that price. In this instance the State will have to compete with the corporation of this city, which has opened a loan at the rate of seven per cent. on account of its water-works. The loans wanted by the general government, if thrown on this market, will also have an unfavorable effect on the rate of interest and the price of stocks. No considerable amount can be loaned either to the general or State government, by either the banks or individuals of this city, that will not cause a pressure upon its commercial interest. All this proves not only that the loan will, at all events, be inconvenient and should be reduced to the smallest possible amount, but also that any attempt to raise it at a lower rate of interest than consists with the actual price of stocks will fail. On the contrary, the issue of a stock which may hereafter be disposed of at par may perhaps induce some of the banks to take it in exchange of their temporary loans.

The actual price of the State five per cent. stock, redeemable in 1855 to 1860, is now 77 per cent., which is nearly equivalent to a seven per cent. stock redeemable in seven years. Whether it be preferable to sell at a discount a six per cent. stock, or to borrow at par at the rate of seven, may be a debatable question, to be decided according to the market price of each. It seems to us that when for a short term of years, the preference should be given to the seven per cent. stock, the premium for which is paid gradually in the shape of annual interest. Upon the whole, it is believed that the officer whose duty it shall be to negotiate the loan may be safely trusted with discretionary power in that respect.

Believing the present to be a most important crisis in the affairs of this State and of the Union, we trust that it will be met with firmness, and that the Legislature will adopt those efficient measures which, by restoring the credit of the State, will promote the interests and secure the welfare of every class of its inhabitants.

GALLATIN TO JOHN A. DIX, ALBANY.

NEW YORK, 30th March, 1842.

SIR,—I have been requested by gentlemen connected with the banks of this city to write to you on the subject of a bill before the Senate calling on the safety fund banks to make further or greater payments than was provided by the Act which created that fund.

It is not my intention to discuss the legal or constitutional power of the Legislature to pass an Act in conformity with the proposition now before them. It is sufficient to observe that the constitutional power does not imply the moral right of enacting a law, and that such power does not release a Legislature from their moral duties. I will accordingly examine the question only in reference to its justice and expediency.

The object of the bill is to replenish the safety fund *promptly*, that is to say, by further means than the annual payment of one-half per cent. on their capital, the condition on which charters were granted by the Legislature and accepted by the banks. Not having seen the bill, I do not know to what extent the additional payment is to be carried, either as to amount or time. But, whatever the extent may be, the principle is the same. It is that the safety fund banks may be justly compelled to pay whatever losses might otherwise be incurred by the creditors, or at least by the holders of the bank-notes, of any of those banks.

Those creditors, or bill-holders, have no natural right of recourse on any other bank than that of which they are creditors or bill-holders. They have, by virtue of the Safety Fund Act, acquired an indubitable, though artificial, right to the proceeds of that fund; that is to say, to one-half per cent. a year on the capital of each of the safety fund banks. But that right goes thus far and no farther. On anything beyond it they have neither a natural nor an artificial legal right.

Men, whether acting individually or as members of an association, and, in the last case, whether incorporated or associated either by virtue of any legislative act or spontaneously, are naturally responsible for their own acts only, and not at all for

those of other men or associations. If it has been a condition of the charters of the banks that they should become responsible to a certain extent, to that extent only are they bound, and no further. To compel them to pay anything beyond that amount, or at a different time, is to take their property for the benefit of those who have no right to it, and is, therefore, manifestly unjust. Even when it becomes absolutely necessary to take property for public use, it cannot be done without just compensation.

Our system of chartered banks may be founded on erroneous principles; and it may become proper, if it be practicable, to substitute for it one that shall be free to all and rest exclusively on personal responsibility. In the mean while, and so long as those banks are permitted to exist, the rights of the stockholders are as sacred as those of the owners of any other species of property.

There is a striking contrast in the treatment respectively experienced by the banks in this State and by those of some other parts of the Union. Those in the States south and west of New York have, through the extraordinary and unaccountable indulgence of the respective Legislatures, been permitted, after having suspended their specie payments, to persist in a continued violation of their engagements for more than two years. Those in this State, which in the first instance resumed those payments alone, which have ever since continued to supply a currency equal to specie, and whose failure would infallibly be followed by a general suspension of specie payments throughout the Union, are alone selected as special objects of aggression.

The banks of this State are entitled to no particular merit for that which was only the performance of a sacred duty. I do not wish for the slightest relaxation in their favor if they should fail to fulfil their engagements; and it is evident that they must pay their proportionate share of the general taxes. I ask only for strict justice, as well towards them as on their part, and that, therefore, they should not be subject to special and unjust taxation.

A deviation from justice has no limits, and naturally leads to acts of the same character. Thus, a proposition was lately made

to substitute for a general tax of one mill intended for general purposes, a special tax of ten mills on banks and other moneyed corporations or associations. The holders of bank stock consist almost exclusively of two classes: 1st, women, children, and generally persons unable to engage in any active pursuits; 2d, capitalists, who divide their investments between stocks, mortgages, and real estate. The first class is in every respect utterly powerless, and may be oppressed with impunity. The second is that on which the State must exclusively rely for the loans it may want and for sustaining its credit. On the ground of expediency alone, an unjust tax laid on them is not calculated to increase their confidence in the State.

Whether it be for the payment of the floating debt, for the reimbursement, when it shall become due, of the funded debt, or for carrying on internal improvements, it is agreed on all hands that the State must raise money by loan; and it is evident that, in the present prostrated state of the public credit, it is impossible to obtain a loan without a loss, which will be greater in proportion to the amount of the loan required. The first indispensable preliminary is, therefore, to restore as far as practicable public credit and to raise the price of the public stocks.

The principal causes of the depression are not under the control of the Legislature. Such are the catastrophe of the United States Bank, the repudiation of their just debts, or the inability of paying the interest, by some of the States, and the lamentable situation of the fiscal concerns of the general government. It seems that the only other causes must be the disproportion between the supply and demand, or a want of confidence either in the resources or the integrity of the State. That disproportion is the only real difficulty in the case. To restore the equilibrium may require time. It is obvious that the object cannot be attained so long as the demand is not increased and new issues of stock take place. There are no other means of increasing the demand than to recur by equal taxation to the resources of the country, and to inspire a full confidence in the integrity of the State as well as in its resources. It should never be forgotten that every unjust legislative act

is injurious to the character and to the credit both of the State and of individuals.

My opinion on the subject of the safety fund has always been the same, and it was expressed in the following words in an essay published in the month of June last:

"The annual tax of one-half per cent. imposed under the name of 'safety fund' is unjust towards the banks which are well administered, and injurious to the community at large. To make a bank responsible for the misconduct of another, sometimes very distant and over which it has no control, is a premium given to neglect of duty and to mismanagement at the expense of the banks which have performed their duty and been cautiously administered. That provision gives a false credit to some institutions which, not enjoying perfect confidence, would not otherwise be enabled to keep in circulation the same amount of notes; and it therefore has a tendency unnecessarily to increase the amount of paper money. The fund would be inadequate in case of any great failure, and it provides at best only against ultimate loss, and not at all against the danger of a general suspension."

The loss which has now been incurred, and the delay which must ensue under the existing provisions of the law before the holders of the bills of the broken banks can be reimbursed, are to be regretted. But I am perfectly satisfied that the public good, not less than justice to the sound banks, requires that the safety fund should be no otherwise replenished than as now provided by the law. It is proper and useful that the people should learn that the fund gave but an imperfect and fallacious guarantee; that they should know that they must rely for the payment of bank-notes on the bank by which they were issued; and that each bank also should feel that it must henceforth rely exclusively on its own resources and the proper management of its affairs. This must necessarily check improper expansion either in circulation or in discounts. Instead of deteriorating, it will be a step towards improving our banking system. Instead of increasing, it will lessen the danger to which the community, and more particularly the most ignorant part of it, is exposed from the issues of unsound paper money.

I have, &c.

P.S.—I pray you to communicate this letter to the chairman of the committee on banks of the House of Assembly.

GALLATIN TO JOHN A. DIX.

NEW YORK, April 2, 1842.

SIR,—I did not, in the letter which I had the honor to address to you on the 30th ult., attempt to discuss the question which may arise on the constitutional power of the Legislature to pass an Act such as that respecting the replenishing of the safety fund, which has now received the sanction of the Senate. Permit me to submit to your consideration some observations on that subject.

It will not, it is hoped, be asserted that the Legislature is vested, under the words "legislative powers," with a *general* authority to take the property of any citizen or class of citizens, or, which is tantamount, to compel any citizen or class of citizens to pay debts contracted by other persons or associations and not guaranteed by him or them. Such assertion would lead to the monstrous doctrine that the citizens of New York hold their property subject to the will and pleasure of the Legislature. It is, moreover, expressly provided by the constitution of the State that "No person shall . . . be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation." Unless it be taken for public use and for a just compensation, no person can be deprived of his property without due process of law, of the law of the land, of a pre-existing law, and not, most certainly, by virtue of a special law passed for the special purpose of depriving him of his property.

The authority claimed on this occasion must therefore be derived from some specially reserved power applicable to the case. I am not aware of any other such reserved legislative power in relation to bank charters but that which the Legislature has to alter or repeal any such charter; and it is probably on account of some supposed inference from that power that the bill in question has been favorably entertained. In that case,

the first indubitable consequence is, that the bill requires the assent of two-thirds of all the members elected to each branch of the Legislature. But this is only a subordinate incident.

Certain powers and privileges have been granted to chartered banks, either by the general laws respecting moneyed corporations and banks, or by special provisions of the charters. All such powers or privileges may be abrogated altogether, altered, or modified, by the Legislature.

The authority thus reserved is applicable to a variety of objects, and may indeed be abused. It is undoubtedly on that account that it cannot be exercised without the assent of two-thirds of the members.

The most important and dangerous of the privileges is that which releases the stockholders from personal responsibility. Thence arises the propriety of providing for the *preservation* of their capital, and of reserving to the Legislature the power at all times to restrain the objects to which and the manner in which it shall be applied. But the power thus to preserve the capital is not a power to take from its owners any part of it.

The power to annul, alter, or modify the privileges granted by the charters is not, and does not include, a power to deprive the parties to the charters of any portion of their property by applying it to the payment of debts contracted by others and not guaranteed by them. To be exempted from such payment is not a privilege, but a right enjoyed by all. It is a natural right, in no shape granted by or derived from the charters, but belonging to the parties antecedent to and independent of any charter or legislative act whatever. Any attempt, under color of the reserved legislative power, to alter the charters, to deprive the stockholders of that natural, antecedent, and indisputable right to their own property, is not an alteration of the provisions of the charters and of the privileges derived from them, but an attempt to exercise an arbitrary and illegitimate power in relation to a subject foreign to the charters.

That right has been abridged by the Safety Fund Act to the extent and in the manner prescribed by that Act. That Act was made by the Legislature the indispensable condition on which bank charters should thereafter be granted. All the banks sub-

sequently incorporated have assented to that condition, which has thus become, to all intents and purposes, a contract between the stockholders and the public. Neither party has the right to alter it in any manner whatever without the consent of the other party; and the State is expressly forbidden to pass any laws impairing the obligation of contracts.

The arguments appear to me conclusive, and will, I think, be sustained by every sound constitutional lawyer.

I have the honor to be, respectfully, sir, your obedient servant.

P.S.—Mr. Lawrence has returned from Albany, and informs [me] that on reconsideration the bill has been amended in the Senate so as to insert as the annual payment required from the bank one-half of one per cent. on their capital. If this be only a confirmatory provision of the condition which the banks are already by law bound to perform, if it amounts only to this, viz., that they shall pay one-half of one per cent. a year till the liabilities on the fund are paid, and till it amounts again to three per cent., it is all very well, and I would have supposed that no new law was necessary for that purpose; but if it be intended that the banks shall pay this annual one-half per cent. in addition to the half per cent. which they may already be called upon to pay; if on any account they are required to pay more than a half per cent. a year, the objection will still subsist, and I pray you to attend so far to the subject as that no misunderstanding may take place on the subject.

LORD ASHBURTON TO GALLATIN.

WASHINGTON, 12th April, 1842.

DEAR MR. GALLATIN,—My first destination was to approach America through New York, but the winds decided otherwise, and I was landed at Annapolis. In one respect only this was a disappointment, and a serious one. I should have much wished to seek you out in your retreat to renew an old and highly-valued acquaintance and, I believe and hope I may add, friend-

ship; to talk over with you the Old and the New World, their follies and their wisdom, their present and by-gone actors, all which nobody understands so well as you do, and, what is more rare, nobody that has crossed my passage in life has appeared to me to judge with the same candid impartiality. This pleasure of meeting you is, I trust, only deferred. I shall, if I live to accomplish my work here, certainly not leave the country without an attempt to find you out and to draw a little wisdom from the best well, though it may be too late for my use in the work I have in hand and very much at heart.

You will probably be surprised at my undertaking this task at my period of life, and when I am left to my own thoughts I am sometimes surprised myself at my rashness. People here stare when I tell them that I listened to the debates in Congress on Mr. Jay's treaty in 1795, and seem to think that some antediluvian has come among them out of his grave. The truth is that I was tempted by my great anxiety in the cause, and the extreme importance which I have always attached to the maintenance of peace between our countries. The latter circumstance induced my political friends to press this appointment upon me, and with much hesitation, founded solely upon my health and age, I yielded. In short, here I am. My reception has been everything I could expect or wish; but your experience will tell you that little can be inferred from this until real business is entered upon. I can only say that it shall not be my fault if we do not continue to live on better terms than we have lately done, and, if I do not misunderstand the present very anomalous state of parties here, or misinterpret public opinion generally, there appears to be no class of politicians of any respectable character indisposed to peace with us on reasonable terms. I expect and desire to obtain no other, and my present character of a diplomatist is so new to me that I know no other course but candor and plain-dealing. The most inexpert protocolist would beat me hollow at such work. I rely on your good wishes, my dear sir, though I can have nothing else, and that you will believe me unfeignedly yours.

GALLATIN TO LORD ASHBURTON.

NEW YORK, 20th April, 1842.

DEAR LORD ASHBURTON,—Your not landing here was as great disappointment to me as to you. I have survived all my early friends, all my political associates; and out of my own family no one remains for whom I have a higher regard or feel a more sincere attachment than yourself. If you cannot come here, I will make an effort and see you at Washington. Your mission is in every respect a most auspicious event. To all those who know you it affords a decisive proof of the sincere wish on the part of your government to attempt a settlement of our differences as far as practicable; at all events, to prevent an unnatural, and on both sides absurd and disgraceful, war. There are but few intrinsic difficulties of any magnitude in the way. Incautious commitments, pride, prejudices, selfish or party feelings present more serious obstacles. You have one of a peculiar kind to encounter. Our President is supported by neither of the two great political parties of the country, and is hated by that which elected him, and which has gained a temporary ascendency. He must, in fact, negotiate with the Senate before he can agree with you on any subject. It is the first time that we have been in that situation, which is somewhat similar to that of France; witness your late treaty, which the French Administration concluded and dared not ratify. It may be that under those circumstances our government may think it more eligible to make separate conventions for each of the subjects on which you may agree than to blend them in one instrument.

The greatest difficulties may be found in settling the two questions in which both parties have in my humble opinion the least personal or separate interest, viz., the right of visitation on the African seas for the purpose only of ascertaining the nationality of the vessel; and the North-Western boundary. I have no reason, however, to believe that the Administration, left to itself, will be intractable on any subject whatever; I hope that higher motives will prevail over too sensitive or local feelings, and I place the greatest reliance on your sound judgment,

thorough knowledge of the subject, straightforwardness, and ardent desire to preserve peace and cement friendship between the two kindred nations. You cannot apply your faculties to a more useful or nobler purpose. I am now in my eighty-second year, and on taking a retrospective view of my long career I derive the greatest consolation for my many faults and errors from the consciousness that I ever was a minister of peace, from the fact that the twenty last years of my political life were almost exclusively employed in preventing the war as long as I could, in assisting in a speedy restoration of peace, and in settling subsequently as many of the points of difference as was at the time practicable. May God prosper your efforts and enable you to consummate the holy work!

GALLATIN TO SISMONDI.

New York, le 10 juin, 1842.

Mon cher Monsieur Sismondi,—Permettez-moi de vous prier de vouloir bien présenter en mon nom à la Bibliothèque de Genève quatre volumes que vous recevrez par la voye de Paris, savoir:

1. Sketch of the Finances of the United States, 1796.
2. Speeches (1794–1799) and Miscellaneous Reports (1802–1810).
3. Essays on various subjects, 1830–1841.
4. Synopsis of Indian Tribes, 1836.

J'y ajoute une note ou explication et deux autres exemplaires du volume d'Essais. L'un d'eux est destiné pour mon parent et ami, le Syndic Gallatin; je vous prie d'accepter l'autre comme souvenir et comme témoignage de ma considération distinguée. Je n'ai plus d'exemplaires des autres ouvrages; il m'a même été difficile de receuillir les discours et les rapports contenus dans le volume sous ce titre (2), et impossible de les tous retrouver. J'aurais désiré faire à ma patrie natale un hommage plus digne d'elle, en lui présentant la série de mes travaux tant comme Secrétaire du Trésor que dans les missions extérieures dont j'ai

été chargé. Il me sera peut-être possible de me procurer et de vous envoyer par la suite la plupart de mes rapports sur les Finances. Quant à ma correspondance diplomatique, quelques parties détachées seulement ont été publiées par ordre du Congrès, et j'ai ajouté au volume (2) la discussion des droits de l'Angleterre et des États-Unis sur les contrées au-delà des montagnes Rocky et qui s'étendent sur l'Océan Pacifique entre les 42e et 56e degrés de latitude.

A l'exception près des recherches sur les Indiens, tous mes écrits ne sont que des ouvrages de circonstance dans lesquels on peut trouver quelques vues saines et générales, mais qui se rattachent à ma carrière politique et n'ont eu qu'une importance locale et momentanée. Je ne regrette point que telle ait été ma destinée; je n'avais pas les talents nécessaires pour cultiver avec succès les lettres ou les sciences; et mes facultés ont été probablement employées plus utilement dans la vie active où j'ai été jeté et pour laquelle j'étais plus propre.

La dernière révolution de Genève m'a profondement affligé; je n'en connais point le résultat et vous m'obligeriez infiniment si vous pouviez m'envoyer quelqu'écrit qui en traçat les causes, les détails et les effets. Il ne m'appartenait pas de donner des avis pendant mon séjour à Genève en février, 1814. Je ne pus cependant m'empêcher d'exprimer à quelques amis les craintes que m'inspiraient l'accroissement de territoire qu'on désirait et les dispositions singulières par lesquelles on avait restreint et entravé le droit de suffrage.

Genève n'a subsisté comme état indépendant que par une force purement morale à laquelle douze mille âmes de plus n'ajoutaient rien. Je craignais la malveillance des puissances qu'on dépouillait et surtout la difficulté d'amalgamer une population ignorante et catholique avec la nôtre. Cette dernière considération me paraissait beaucoup plus grave que l'inconvénient des enclaves. Mes désirs aurait été satisfaits par une lisière le long du lac qui rendit Genève limitrophe de la Suisse, et du côté de la Savoye par l'acquisition de Landessi et des autres hameaux protestants abandonnés par le traité de 1764.

Quant à la constitution, j'avais cru comprendre que les dispositions qui entravaient le droit de suffrage n'étaient que pro-

visoire. Du moins M. le Syndic Desarts m'avait dit qu'on ne les avait adoptées qu'afin d'exclure des emplois publics ceux qui avaient été impliqués dans les meurtres judiciaires de l'an 1794. Et je m'étais flatté que ce qu'il y avait de défectif serait corrigé par degrés, tranquillement et légalement. L'ancienne aristocratie de Genève s'était toujours distinguée par ses lumières, ses talents, son désintéressement et son excellente administration. Je suis sûr que ses descendants qui ont gouverné pendant les 27 dernières années, ont marché sur ses traces et n'ont rien laissé à désirer sous aucun de ces rapports. Mais je crains qu'ils n'aient pas pu se guérir d'un défaut qui semble être inhérent à tous les gouvernements, celui de ne pas se mettre au niveau de l'esprit du tems et des lieux, et de ne pas sentir la nécessité de prévenir les révolutions par des réformes spontanées. J'espère encore humblement que la Providence qui a créé, conservé et protégé la République ne l'abandonnera pas dans cette crise dangereuse, et que la sagesse et le patriotisme éclairé des membres de l'assemblée constitutionnelle surmonteront les grandes difficultés de la tâche qui leur est imposée.

GALLATIN TO THOMAS RITCHIE.

New York, August 2, 1842.

Sir,—In compliance with your request, I send you by mail a copy of the argument in support of the right of the United States to their North-Eastern boundary as heretofore claimed by them. I had been engaged in collecting the evidence and preparing the statements laid by the United States before the King of the Netherlands, and bestowed more time on that than I ever did on any other subject. I investigated it more thoroughly, I believe, than any other individual, and, I may be permitted to add, with a pure love of truth and justice and perfect impartiality. The result has been a thorough conviction that Great Britain had not even the shadow of a claim; and I think the equivalent offered to be inadequate. Yet, and though personally disappointed, I am clearly of opinion that the public interest requires that the treaty should be ratified.

England has been fifty years in possession of the inhabited part of the disputed territory, a circumstance which, connected with the award of the King of the Netherlands, renders it difficult for her government, even if so inclined, to do us justice, and would have its weight with any new arbiter that might be selected. The arrangement being founded on a supposed equivalent, the principal part of which is of an indefinite value, may be accepted without wounding the honor of the country. And since the acquiescence of Maine, the party most interested, removes the great obstacle to an accommodation, I would think it not only unwise in the present situation of the country, but quite unjustifiable, to run the risks incident to a failure of the pending negotiations.

It is unnecessary to dwell on the calamities and baneful effects of war, on its wickedness unless in defence of sacred rights; but the positive benefits arising from the confirmation of the arrangement deserve also consideration: 1. The settlement of this vexed question will have a tendency to create better feelings between two kindred but rival nations, and lead to a final adjustment of the other subjects of difference. 2. A period of peace is at this time of the highest importance to us, for the purpose of restoring not only the finances by equalizing the receipts and expenditures of the general government, but also the public credit—I should say the public faith—of the several States, as well as private credit and confidence, all which are prostrated to a degree which affects materially the national character.

I know the terms of the treaty only from the newspapers. A note in pencil on the map A, annexed to the pamphlet, will show how I understand them.

I have not received the Richmond Enquirer mentioned in your letter. Your determination not to be governed on this occasion by party feelings is highly commendable. The sacrifice, however, is not great. You may rely on the Whigs (so called) for destroying themselves without your aid. It is a second edition, not improved, of the conduct of the Federalists in 1798.

I have, &c.

Although I have nothing to conceal, at my advanced age (82) and with a weak health, I want quiet, and do not wish to be conspicuous in newspapers.

GALLATIN TO FRED. DE PEYSTER.

New York, October 22, 1842.

Sir,—I had the honor to receive your letter informing me that I had been elected a resident member of the New York Historical Society. This alone would have been gratifying to me; but I pray you to present my thanks to its members for the unusual and very kind manner in which I was chosen. I wish I could in return do something towards promoting the objects of the Society; but, independent of other circumstances, the increasing difficulty I experience in reducing my ideas to writing seems to forbid the hope of my being able to produce anything worthy of the public attention.

I pray you to accept the assurances of the high consideration, &c.

GALLATIN TO LOUIS PICTET, Genève.

New York, le 23e octobre, 1842.

Monsieur,— . . . Il n'y a que quelques jours que j'ai reçu les divers projets, le rapport de la commission et la constitution de Genève, telle qu'elle a été adoptée, que vous avez eu la bonté de m'envoyer. Je regrette encore plus la manière dont cette révolution s'est opérée que son résultat. Quelqu'accoûtumé que je sois au suffrage universel, je dois dire d'après notre expérience que ses effets sont plus nuisibles et plus dangereux dans l'administration et le gouvernement d'un cité, que dans ceux d'un grand pays. Mais s'il y avait nécessité absolue de considérer ce principe comme un fait déjà accompli, il me paraît que vous avez tiré tout le parti possible des circonstances où vous étiez placés et que la constitution est beaucoup meilleure qu'on n'avait droit de l'es-

pérer. Le rapport de la commission aborde toutes les questions avec franchise et elles y sont discutées avec un profondeur et un talent remarquables. Il y a pour l'avenir bien des sujets de crainte; mais l'espérance n'est pas perdue là où on peut parler ainsi au peuple et le convaincre par la raison sans en appeler à ses passions. L'embarras d'une population catholique est devenue inévitable; mais elle ne peut s'amalgamer que difficilement, et elle dérange un des principaux éléments de la considération morale dont Genève jouissait. Malgré toutes ces difficultés, il me semble qu'on est en général trop effrayé des innovations qu'amène l'opinion publique et l'esprit du siècle. J'ai vu le temps où vos ayeux et les miens croyaient la république perdue parceque le peuple leur avait arraché le droit de déplacer annuellement la sixième partie du conseil d'état; sans avoir cependant obtenu celui de choisir les remplaçants. Dans tous les cas je crois qu'au lieu de se retirer et de tout abandonner à quelques meneurs temporaires, il faut redoubler d'efforts, s'emparer de l'état des choses quel qu'il soit et apprendre l'art difficile, mais devenu partout nécessaire, de diriger dans un sens convenable au lieu de chercher à comprimer le formidable élément populaire, tant qu'il ne sort pas des voies légales et constitutionnelles. Le grand danger surtout dans les petits états est celui de l'appel à la force physique de ces émeutes qui renversent en un jour l'œuvre des années; et c'est celui surtout qu'il faut prévoir et savoir prévenir. Nous venons d'en faire l'expérience dans le petit état de Rhode Island.

Il ne m'appartient pas de donner des conseils; je vous raconte seulement ce que j'ai vu, un peu ce que j'ai tâché de faire; et quoique je n'ai pas toujours réussi, je crois que mes efforts n'ont pas été entièrement inutiles. J'ai donc vu avec grand plaisir votre nom, celui de Messrs. Naville et de beaucoup d'autres qui ne me sont connus que de réputation, parmi ceux qui ont coöpéré à la nouvelle constitution et qui continuent à se dévouer au service de la république. Avec la masse de lumières, de talents distingués, de vertus publiques et privées, dont Genève s'honore, j'ose encore espérer que la Providence qui a d'une manière presque miraculeuse conservé et protégé notre patrie, ne l'abandonnera pas entièrement, et qu'après des épreuves moins terribles que celles qu'essuyèrent vos pères, vous vous retrouverez placés dans

une situation beaucoup moins pénible que vous ne paraissez le craindre.

Veuillez, je vous prie, me rappeler au souvenir de mes parents et amis, et agréer l'assurance de ma haute considération.

GALLATIN TO GEORGE PLITT AND OTHERS.

NEW YORK, April 8, 1843.

GENTLEMEN,—I had the honor to receive your letter of the 4th instant inviting me to attend the celebration of the centennial anniversary of the birth of Thomas Jefferson, the author of the Declaration of Independence. The state of my health is such at this moment as to render it impossible for me to avail myself of your kind invitation. I regret extremely that I should be thus deprived of the opportunity to pay a tribute to the revered memory of him to whom I was united not only by a conformity of political principles, but by the ties of gratitude and of a personal friendship which during a period of thirty years was never interrupted, or even obscured by a single cloud.

The testimony of the "only surviving member of his Cabinet" respecting his Administration whilst President might not be deemed altogether impartial. And the just appreciation of all his public acts, and of his eminent services, from the earliest dawn of the Revolution to the time when he withdrew from public life, may safely be left to the judgment of posterity.

But, as one intimately acquainted with him, and who enjoyed his entire confidence, I can bear witness to the purity of his character and to his sincere conviction of the truth of those political tenets which he constantly and openly avowed and promulgated. How far these are congenial with American feelings and institutions may be inferred from the fact that, although thirty-five years have elapsed since he left the Presidential chair, no man has as yet been elevated by the people to the same station who did not avowedly belong to the same school.

I do also aver that for his elevation he was indebted solely to his eminent public services and to the knowledge of his political

opinions; that he was altogether the spontaneous choice of the people, not promoted by any intrigue, nor even nominated by any assembly or convention, but, without any preconcerted action, and yet without competition, selected unanimously in every quarter by the Republicans who elected him.

I might add much respecting his private and public character; but I have already perhaps gone farther than the occasion required.

Please to accept my thanks for your friendly recollection of an old public servant, and the assurance of my respectful consideration.

Your obedient servant.

GALLATIN TO SAMUEL BRECK.

New York, 20th June, 1843.

Sir,—I had the honor to receive your letter of 17th instant. I believe the "black cockade" of 1798 to have been worn exclusively by members of the Federal party, but certainly not by all of them. Many did object to such external badge; to what extent it was adopted I really cannot say, as I have but a general and vague recollection of that slight incident. In some other respects my impaired memory is more retentive, and I have not forgotten acts of kindness. Your mention of Mr. Hare reminds me, and I do recollect with feelings of gratitude, that his father was the principal agent in arresting in Pennsylvania an amendment to the Constitution of the United States, proposed and adopted by the New England States, which was personally directed against me. And I may add that, notwithstanding the heat of party feelings, I was always treated with personal kindness and consideration by Mr. Hare's father and by his connections,—the Willing, Bingham, and Powell families.

It is well known that I think the general policy of the Federal party at that time to have been erroneous; but independent of this, which is a matter of opinion, it certainly became intoxicated. The black cockade was a petty act of folly that did

not originate with the leaders; but they committed a series of blunders sufficient alone to have given the ascendency to their opponents, and which at this time appears almost incredible.

GALLATIN TO MARIA CHAPMAN.

New York, November, 1843.

My dear Mrs. Chapman,—A severe cold which prostrated me has prevented an earlier acknowledgment of your letter of 19th October last. I was highly gratified by your kind recollection, but did not know that dear Miss Weston, who could not be forgotten, and Mrs. Maria Chapman, known to me only by the voice of fame, were one and the same being. I have read with pleasure the whole of the annual you sent me. To write anything for it is out of question. I never was but a poor writer in a language which is not my native tongue, and was compelled to confine myself to statements of facts and dry reasoning; now, with impaired faculties, and that writing has become a painful labor, I cannot produce anything fit to be published. I have, moreover, the defects of old age, and feel that I have become cross and fault-finder. I would not for any consideration say anything that might injure the holy cause in which you are engaged, and yet I must tell the truth, or what appears to me to be the truth. But to you, whom I love and respect, to you and not for publication, I may try to submit some desultory observations, which in that shape will at least be harmless.

GALLATIN TO D. DUDLEY FIELD.

New York, 17th December, 1844.

Dear Sir,—I have received your note of yesterday, asking my opinion respecting the constitutional character of the resolution for annexing Texas by a legislative act, now before Congress. Had not that resolution been proposed, I should not

have thought that there could be a difference of opinion on that subject.

A doubt has been suggested whether the general government has the right, by its sole authority, to add a foreign independent state to the Union; and I have ever been of opinion that conditions might occur in a treaty ratified by the President and Senate, such as any binding the United States to pay a sum of money, which would require the free assent of Congress before such conditions could be carried into effect. But it is unnecessary on this occasion to discuss those questions. That now at issue is simply this: In whom is the power of making treaties vested by the Constitution? The United States have recognized the independence of Texas; and every compact between independent nations is a treaty.

The Constitution of the United States declares that "the President shall have power, by and with the advice and consent of the Senate, to *make* treaties, provided two-thirds of the Senators concur." This power is not given to Congress by any clause of the Constitution.

The intended joint resolution proposes that the treaty of annexation between the United States of America and the republic of Texas, signed on the 12th of April, 1844 (which treaty is recited verbatim in the resolution), shall, by the Senate and House of Representatives in Congress assembled, be declared to be the fundamental law of union between the said United States and Texas so soon as the supreme authority of the said republic of Texas shall agree to the same.

The Senate had refused to give its consent to the said treaty; and the resolution declares that it shall nevertheless be made by Congress a fundamental law binding the United States. It transfers to a majority of both Houses of Congress with the approbation of the President, and to two-thirds of both Houses without his approbation, the power of *making* treaties, which, by the Constitution, was expressly and exclusively vested in the President, with the consent of two-thirds of the Senate. The resolution is evidently a direct and, in its present shape, an undisguised usurpation of power and violation of the Constitution.

It would not be difficult to show that it is not less at war with the spirit than with the letter of that sacred instrument; and that the provision which requires the consent of two-thirds of the Senate was intended as a guarantee of the States' rights, and to protect the weaker against the abuse of a treaty-making power, if vested in a bare majority. But the case appears to me so clear, that I would fear to obscure that which is self-evident by adding any argument to the simple recital of the constitutional provision and of the proposed resolution.

I have the honor to be, with high consideration and personal regard, dear sir, your most obedient servant.

GALLATIN TO D. D. FIELD.

New York, 10th February, 1845.

Dear Sir,—The proceedings in Congress respecting the annexation of Texas, and the opinions expressed on the subject, induce me to submit the following observations in addition to my former letter to you on that subject.

Respectfully yours.

It is provided by the Constitution of the United States that:

1st. Article 2d, Section 2. The President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.

2dly. Article 4th, Section 3. New States may be admitted by the Congress into this Union, etc.

The constitutional question now under consideration is whether Texas, which has been recognized by the United States as an independent foreign state, can, by virtue of this last provision, be admitted by the sole authority of Congress into the Union as a new State.

It is a fundamental principle, universally recognized by all the jurists and publicists, that in the interpretation of the constitutions, statutes, treaties, deeds, and contracts, or compacts of

every description, the construction must be made upon the whole instrument, and not merely upon disjointed parts of it, and that therefore every part of it must, if possible, be made to take effect; or, in other words, that one part of it must be so construed by another that the whole may if possible stand.

It follows that if Texas can be admitted into the Union as a new State without its being admitted into the Union for that purpose, Congress may, by its sole authority, thus admit it; but that if a treaty is necessary, this can be effected only by the treaty-making power, which is not vested in Congress. Otherwise the provision which gives that power exclusively to the President, with the consent of two-thirds of the Senators present, would be nullified, and that power be transferred to Congress in violation of the express provision of the Constitution.

By the treaty and conventions for the acquisition of Louisiana it was provided that the United States should pay fifteen millions of dollars, and that the inhabitants of the ceded territory should be incorporated into the Union of the United States and admitted as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of citizens of the United States; which last provision implied their admission into the Union as a new State or new States. Neither of these conditions could be carried into effect without the co-operation of Congress. That body appropriated and provided the funds required, and by several special laws has already erected a part of the ceded territory into three States. Thus the several provisions of the Constitution were made to stand and harmonize, and each to take effect.

In the same manner Congress may, by an analogous process, now resolve that Texas, whenever acquired in conformity with the Constitution, shall be admitted into the Union as a State or States. But territory can be acquired only by treaty or conquest. As this last mode is in this case out of the question, it is unnecessary to discuss in what cases conquest or occupation may, without the sanction of a treaty, confer a legitimate right. On this occasion, the mutual assent of at least two parties—Texas and the United States—is absolutely necessary. Call it

agreement, compact, or by any other name, it is only by a treaty that the annexation of Texas can be effected. Every proposition heretofore offered for that purpose makes the assent of Texas, or, in other words, a compact or treaty with that republic, an indispensable condition.

Mr. Benton's proposition authorizes the negotiation of a treaty founded on the principle of the admission of Texas as a State, and would seem altogether unexceptionable so far as relates to the constitutional question, provided the treaty was made and ratified in the manner provided by the Constitution. But the proposed resolution leaves it optional with the President of the United States to submit the treaty for confirmation either to Congress or to the Senate. There is no option in the case. Congress has the right to say that if Texas be annexed, it shall be as a State; but it cannot dispense with the provisions of the Constitution and authorize the President to make the treaty otherwise than by and with the consent of two-thirds of the Senate. To substitute Congress for two-thirds of the Senators present cannot be effectual otherwise than by an amendment to the Constitution.

This attempt is unwarranted by any precedent. In the year 1796 the House of Representatives contended that wherever the stipulations of a treaty required the co-operation of Congress, the House had a right to grant or to refuse its assent; but it disclaimed any right to make treaties. The resolution of the House, proposed and sustained by Mr. Madison, and adopted by the unanimous vote of the Republican party (57 to 35), is as follows:

"Resolved, That it being declared by the Second Section of the Second Article of the Constitution, 'That the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur,' the House of Representatives does not claim any agency in making treaties; but that when a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend for its execution, as to such stipulations, on a law or laws to be passed by Congress; and it is the constitutional right and duty of the House of Repre-

sentatives in all such cases to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon as in their judgment may be most conducive to the public good."

The President may alone negotiate; he cannot make a treaty. A treaty cannot be made without the consent of two-thirds of the Senators present. An attempt to substitute for that express provision of the Constitution the approbation of Congress, would give to the House of Representatives a direct agency in making treaties. Any law to that effect would be a nullity; it might be repealed at any time by another law,—for no law which is not in the nature of a contract, which the legislative body has a right to make, is binding on subsequent Congresses. In this instance the faith of the United States would not be pledged to Texas, because the compact or treaty was not made by the competent constitutional authority.

There are other weighty objections against the annexation of Texas; but if this has become unavoidable, let at least the Constitution be respected. It is impossible to foresee the baneful consequences which may attend the violation of one of its most important conservative provisions. It has a tendency to promote anarchy, and threatens the permanence of the Union. It would certainly be a most fatal precedent. There is no compact or treaty of peace, commerce, alliance, or for any other purpose whatever, and with any foreign nation whatever, that may not on the same ground be made by the sole authority of Congress, without regard to the constitutional guarantee, which, by requiring the consent of two-thirds of the Senate, protects the States and the people against the abuse of the treaty-making power.

GALLATIN TO COMMODORE CHARLES STEWART.

New York, 16th October, 1845.

Sir,—I return my thanks for your civility in communicating your intended publication, and beg leave to make the following observations:

I have not the slightest recollection of having ever assisted at any Cabinet council where the propriety of laying up the public ships during the war was discussed, or of having proposed that measure, or of its having been entertained by the Administration, or of you and Commodore Bainbridge remonstrating against it and addressing a letter to the President on the subject. If, in point of fact, I was party or privy to any such transactions, all I can say is that my memory has failed me much more than I am aware of. I pray you nevertheless to make no alteration in those parts of your publication where my name is mentioned. I wish all the facts within your own knowledge, whether they affect me or not, to be faithfully stated.

I mentioned to you this morning that you were mistaken in supposing that Congress had adjourned during the session, which continued without interruption from the 4th November, 1811, to the 6th July, 1812. I think that you express yourself too strongly (page 3) in saying that the determination of Mr. Madison and his Cabinet was an incontrovertible fact, and also (page 16) when you say that Commodore Rodgers *certainly* sailed on 21st June *without orders*. His letter, in which he acknowledges the receipt of orders dated 18th of June, is dated September 1, 1812, and Captain Porter's letter, in which he says, "In pursuance of your orders of 24th of June, I sailed from Sandy Hook on 3d July," is dated September 7.

I have the honor to be, &c.

GALLATIN TO EDWARD COLES.

New York, November 24, 1845.

My dear Sir,—A severe cold prevented an immediate answer to your letter of the 12th on the subject of Commodore Stewart's publication. He communicated his statement to me before he sent it to the publisher. I had two conversations with him on the subject, and addressed to him, on the 16th October, a short letter, a copy of which is enclosed. This, so far as I am concerned, appeared to me sufficient, and I had not intended to

say anything more on that particular point. Your appeal to me in reference to Mr. Madison compels me to be more explicit.

I repeat what I wrote to Commodore Stewart, viz., that "I have not the slightest recollection of having ever assisted at any Cabinet council where the propriety of laying up the public vessels during the war was discussed, or of having proposed that measure, or of its having been entertained by the Administration, or of Commodores Bainbridge and Stewart having remonstrated against it and addressed a letter to the President on the subject. If, in point of fact, I was privy or party to any such transactions, all I can say is that my memory has failed me much more than I am aware of."

I may have forgotten casual suggestions and conversations, but that I should not recollect such an important fact as a solemn decision by the Administration, twice ratified in Cabinet council, to lay up the navy during the war, appears to be incredible; the more so because it had been quite unusual to submit to the Cabinet the manner in which the land or naval forces authorized by Congress, and for which appropriations had been made, should be employed. This was arranged by the head of the Department, under the control of the President as commander-in-chief. On no occasion was I ever consulted, in or out of Cabinet, on those subjects prior to the year 1812. And I have a lively recollection of the two occasions on which the President called us together in that year to deliberate on measures of that character. First, in March or April, on the propriety of sending a force to occupy the then insulated post of Detroit and vicinity, which was approved of under the expectation of the impending war. But the amount of the force, the mode of execution, and all the details were left entirely to the discretion of the War Department. Secondly, in August following, immediately after receiving the news of General Hull's disaster, when the subjects for discussion were the propriety of immediately creating a naval force on the Lakes, and whether any attempt should be made, before this was effected, to recover Detroit and the lost territory.

You must be sensible that my evidence is nevertheless only negative; and on that account I will mention the circumstances

and facts which seem to render it probable that the reminiscences of Commodore Stewart may not in every respect be as correct as he thinks them to be, or that he was misled by erroneous information.

We have three versions which disagree either as to date or as to fact.

Dr. Thomas Harris published in the year 1837 a life of Commodore Bainbridge, which I had not seen at the time of Commodore Stewart's publication, and which the author states to be founded on Commodore Bainbridge's private journals and extensive correspondence, close intimacy and conversations with him, &c. In this he says that Commodore Bainbridge, having arrived at Boston from Europe in February, 1812, proceeded immediately to Washington, where he remained a few weeks during the deliberation of Congress on the subject of a declaration of war against Great Britain, and was ordered to the command of the navy-yard at Charlestown, Massachusetts; that before leaving the seat of government he heard that in a Cabinet council it was determined that our vessels of war should be placed in ordinary; that, having consulted with Commodore Stewart, they addressed a strong argumentative letter to the Secretary of the Navy remonstrating against that measure; that this letter had its effect, and our men-of-war were permitted to cruise; that, having gained this important point, Commodore Bainbridge departed for Boston, whence he was, after the declaration of war, ordered to Washington to take command of the Constellation and to fit her out with all possible despatch; that the order was obeyed; that after directing the necessary repairs he returned to Boston to make provision for his family; and that whilst there he was, on the resignation of Commodore Hull, appointed to the command of the Constitution.

According to Commodore Stewart, it was after and not before the declaration of war that the determination to lay up the public ships and the revocation of that decision took place. He states that he and Commodore Bainbridge arrived at Washington on the 20th June; that on the 21st they were shown by Mr. Goldsborough, chief clerk of the Navy Department, a paper containing the orders which had just been drawn for Commo-

dore Rodgers not to leave the waters of New York with his naval force; that on the same day the Secretary of the Navy informed them that it had been decided by the President and the Cabinet to lay up our vessels of war in the harbor of New York; that their interview with the President and the confirmation of the said decision took place on the same day; that on the 22d he and Commodore Bainbridge signed and presented their joint letter; that he obtained on the same day the command of the Argus, with instructions to proceed to sea, scour the West Indies and Gulf Stream, &c., and departed immediately, leaving Commodore Bainbridge at Washington; and that Commodore Bainbridge informed him on his return to Philadelphia that he had accomplished his purpose, that the ships were ordered to go to sea, and that the President had said that he would assume the responsibility. This revocation is stated to have taken place about the middle of July.

Mr. Goldsborough, the chief clerk above mentioned, in a letter dated 4th May, 1825, written in answer to one addressed to him by Commodore Bainbridge, confirms the fact of the joint letter of the two commodores to the Secretary of the Navy; and the date he assigns to it is subsequent to the declaration of war, and does not differ essentially from that given by Commodore Stewart. But instead of saying that he had shown to those two officers a paper just drawn, ordering Commodore Rodgers not to sail from New York, his expressions are: "That the opinion that it would be rash to contend on the ocean with the enemy; that prudence required that our few ships should be laid up in some safe port &c., prevailed too generally in the city, and that it was *confidently reported* that the majority of the Cabinet entertained the same opinion and had come to the determination to lay up all our ships in New York and to employ the officers and seamen of the navy in the ports on the seaboard; that he mentioned that report to the commodores, and that very soon afterwards it was confirmed by one of the members of the Administration" (clearly by the Secretary of the Navy). So far as relates to the interview with his first clerk, the communication to Commodore Bainbridge was made thirteen years after the incidents alluded to, and twenty years before Commodore Stewart's publication.

With respect to the acts and intentions of Congress, Commodore Stewart appears to me to be clearly mistaken.

He was under the impression that Congress had adjourned in April, 1812, and met again in June following for the purpose of declaring war; a mistake which he corrected on my showing him that that body did sit without interruption from November, 1811, till the 6th of July, 1812. During that session two laws were passed respecting the navy. By the Act of the 24th of February, 1812, $2,800,000 were appropriated in conformity with the estimates of the Secretary of the Navy, for the expenses, among other objects, of keeping in active service all the public vessels then in commission, viz., four frigates, a corvette, three ships, and seven brigs or schooners,—which appropriation proved amply sufficient. By the Act of 30th March, 1812, the President was authorized to cause to be immediately repaired, equipped, and put in actual service the frigates Chesapeake, Constellation, and Adams; and a sum not exceeding $300,000 was, in conformity with the estimate of the Secretary of the Navy, appropriated for that object. That provision was carried into effect; but another inadequate annual appropriation of $200,000 towards rebuilding the Philadelphia, New York, Boston, and General Greene was only partially applied,—the three last-mentioned ships having proved not to be seaworthy, and the provision for the Philadelphia being apparently superseded by the Act of the 2d January, 1813.

It is quite true that, notwithstanding the report of the Secretary of the Navy and that of the naval committee, Congress did not provide for any increase of the navy till after the triumphs of the war of 1812. But there is an obvious difference between the amount of a naval force and the use to which it shall be applied. On this point no doubt was entertained, at the time, respecting the intentions of Congress. No member of that body expressed, within my knowledge, a wish or expectation that the ships should be laid up. The style of all the laws on that subject implies that they shall be actively employed. Above all, it cannot be supposed that, if intending to lock up the navy, Congress should by their last Act have ordered three more frigates to be repaired and equipped for sea service, and have incurred a

useless expense of $300,000 for that purpose. The inference drawn by Commodore Stewart from that erroneous assumption is inadmissible. The reverse is the case. To have confined voluntarily and permanently the public ships in some safe port would have been in direct opposition to the tenor of the laws and to the intentions of Congress. That as commander-in-chief the President may, according to circumstances, order vessels to cruise or remain in port is true. But there is one thing which he is not authorized to do.

My name is mentioned as having proposed that our ships should be employed in the defence of New York, which, if I did, was a very silly suggestion; since, ignorant as I am of military and naval affairs, yet I had always understood that frigates, whether in or out of port, could not stand seventy-fours, and that when in port they were protected by forts, not that they could be used to protect forts. In point of fact, though some additions were made afterwards, New York was at the time when war was declared already defended on the most common-sense plan, for which I would be at a loss to assign the author. Every one with whom I ever conversed agreed that, if ships of the line succeeded in passing the outward defences (Governor's, Ellis, and Bedloe's Islands), the only efficient way to defend the city was by forts erected at convenient distances on the North River, both in the city itself and on the opposite New Jersey shore. And it will be seen by the report of the Secretary of War of 3d December, 1811, that two of those forts were already erected. No naval aid but that of the gunboats was suggested; and it was the general opinion of the officers consulted that, though useful in some cases, they could not, from various causes, render any efficient aid in the defence of the harbor of New York. As to the plan of dismantling the frigates and converting them into floating batteries, having never heard it discussed, I can form no judgment of its practicability or efficiency. But it is the measure to which I have alluded in saying that there were things which the President was not authorized to do. Congress has always reserved to itself the right and exercised exclusively the power to prescribe not only the amount but the species of the military or naval force. The President might no

more convert a frigate into a dismantled floating battery than he might build seventy-fours under a law authorizing the building of sixteen-gun ships, or raise a regiment of dragoons under a law authorizing one of artillery. When Congress wanted floating batteries, they passed a law (9th March, 1814) for that purpose, designating them by that name.

There are also some facts and some acts of the Navy Department which it is difficult to reconcile with the supposition that there was at any time any determination by the Administration, adopted at meetings of the Cabinet, to lay up all the public ships at some port, and not to risk them at sea.

It appears certain that all the ships had been ordered immediately before the declaration of war to unite at New York as a common place of rendezvous. Commodore Stewart thinks that Commodore Rodgers sailed with his squadron on the 21st June without orders. That he had orders is, however, certain. In his letter of 1st September, 1812, to the Secretary of the Navy he says, "The United States, Congress, and Argus did join me on the 21st June, with which vessels, this ship, and the Hornet I accordingly sailed in less than an hour after I received your orders of the 18th of June, accompanied by your official communication of the declaration of war." These orders have not been published. In the mean while, it seems incredible that Commodore Rodgers should have sailed if he had not been at least permitted to do it by those orders or other previous instructions. Commodore Stewart was appointed to the command of the Argus on the 22d of June for the express purpose of making a cruise in the West Indies. And Commodore Porter, giving an account of his first cruise, in his letter of September 7, 1812, to the Secretary of the Navy, says, "In pursuance of your orders of the 24th of June, I sailed from Sandy Hook on the 3d of July," &c. Thus three frigates and two smaller vessels put to sea on the 21st June, after having received orders dated the 18th June. Those to Commodore Stewart for a cruise are of the 22d. Those of Commodore Porter to sail on a cruise with a frigate (Essex) are dated the 24th. And yet the two commodores were told that the determination by the President and Cabinet to lay up all the vessels had been adopted prior to

the 21st, and was confirmed the evening of that day. In order to remove every doubt, it seems necessary that the orders of the 18th June to Commodore Rodgers, and indeed all the orders issued by the Navy Department during the months of June and July, 1812, should be published. They must have been recorded, and although some loose papers may have been destroyed at the time of the capture of Washington, the records were saved, since Mr. Goldsborough appeals to them in his letter of the year 1825 to Commodore Bainbridge.

The strongest evidence adduced by Commodore Stewart is the statement of his interviews with the Secretary of the Navy. Owing to circumstances irrelevant to any question now at issue, my intercourse with Mr. Hamilton was very limited. He may have been inefficient; he certainly was an amiable, kind-hearted, and honorable gentleman. From his official reports he appears to have been devoted to the cause of the navy; and I never had heard him express opinions such as he is stated to have entertained on that subject. Yet his official instructions of 18th June and 3d July, 1812, to Commodore Hull, which I saw for the first time in Mr. Ingersoll's work, evince an anxiety bordering on timidity, a fear to assume any responsibility, and a wish, if any misfortune should happen, to make the officer solely responsible for it. But admitting Commodore Stewart's reminiscences to be entirely correct, and putting myself out of question, it is clear that they do not affect Mr. Madison.

In the first interview of the commodores with Mr. Hamilton, he enumerates with great force all the reasons that could be alleged against the public ships of the United States being able to escape capture or destruction by the British navy, and dwells on its superiority not only in numbers but in skill and experience. The contrast between him and the President is remarkable. In the interview with Mr. Madison he says to Mr. Hamilton that they ought not to despair of our navy, and that though small it would perform its duty; and after hearing Commodore Bainbridge's observations, he adds, "It is victories we want; if you give them to us and afterwards lose your ships, they can be replaced by others." In the next interview, late in

the evening, with Mr. Hamilton, he states that the Cabinet still persisted in their opinion of laying up the ships, and that Mr. Monroe was the only member who advocated their being sent to sea. He then reiterates his objections, and expresses the remarkable sentiment "that his conscience would never acquit him if, by sending our vessels to sea, the germ of our navy should be lost." It seems impossible not to infer that the Secretary of the Navy was himself the principal obstacle to the active employment of the public ships. Indeed, if he had in that council united his voice to that of Mr. Monroe, and supposing Mr. Eustis and myself to have been present and to have taken the opposite side, the Cabinet would have been equally divided; and Mr. Madison, with such views of the subject as he entertained and had expressed, would without hesitation have decided in favor of the opinion of the Secretaries of State and of the Navy.

It is now claimed that the final decision of the President was almost wrested from him by the persevering interference of two meritorious officers. Yet it is somewhat remarkable that amidst the universal exultation at the first naval victories and the multiplied complaints from almost every quarter of the incapacity of the Administration,—complaints which compelled the Secretary of War to resign,—not a single hint or allusion should have appeared in any of the contemporaneous newspapers or other publications to the fact now asserted, that those naval exploits which consoled the nation for the disasters by land would never have occurred had the President and Cabinet been left to act according to their own views. The secret was admirably well kept. But it is to be regretted that the account now given of these transactions should not have been made public till after the death of Mr. Madison and of Mr. Hamilton, who were in fact the officers responsible for a proper employment of the navy, and that not even a copy of the joint letter should have been preserved. The well-earned fame of Commodores Bainbridge and Stewart, and of other brave, skilful, and meritorious officers of the navy, rests on their notorious and undisputed deeds, and on the great moral effect which these produced. It seems to me to be due to the memory of the dead that the President and

Secretary of the Navy should also be judged by their public deeds, as sustained by official documents, rather than by the reminiscences of conversations held more than thirty years ago, and by the belief sincerely, but, as I think, erroneously entertained by Commodores Bainbridge and Stewart, that their joint letter could have had any effect on Mr. Madison's determination.

For myself, I have no reason to complain. Commodore Stewart in mentioning my name only repeats what he heard another say, and he ascribes to me none but honorable motives and opinions, which, as he believed, were generally those of the public at large. He says, indeed, that out of the navy he knew at Philadelphia but one man who thought otherwise. My associations were, however, more fortunate. From my numerous connections and friends in the navy, and particularly from conversations with Commodore Decatur, who had explained to me the various improvements introduced in our public ships, I had become satisfied that our navy would, on equal terms, prove equal to that of Great Britain; and I may aver that this was the opinion not only of Mr. Madison, but of the majority of those in and out of Congress with whom I conversed. The apprehension, as far as I knew, was not on that account, but that by reason of the prodigious numerical superiority of the British there would be little chance for engagements on equal terms, and that within a short time our public ships could afford no protection to our commerce. But this did not apply to the short period immediately subsequent to the declaration of war, when the British naval force in this quarter was hardly superior to that of the United States. The expectation was general, and nowhere more so than in New York, where the immediate capture of the Belvidere was anticipated, that our public ships would sail the moment that war was declared. In keeping them in port at that time, the Administration would have acted in direct opposition to the intentions of Congress and to public opinion.

I was present at the ball and near Mrs. Madison when the flag of the Macedonian was introduced. I did not hear the observations ascribed to Mr. Madison on that occasion, and my impression had been that he was not present.

This letter is too long, and nothing could have induced me to

write so much on a subject unimportant to me but the fact that I am, besides yourself, the only survivor of those who enjoyed the intimate confidence of my best and revered friend, James Madison.

Please to accept the assurance of my high regard and sincere attachment.

GALLATIN TO JOHN CONNELL.

New York, 9th January, 1846.

Dear Sir,—I have received your letter of 7th instant. Your motives are very friendly; but, at our advanced age, reminiscences of transient conversations held thirty years ago cannot be relied on.

I never was lieutenant or held any military commission whatever either in the regular service or militia. I never had a military or civil command, either permanent or transient, at Machias, where I was only a sojourner. I was simply a volunteer; and what I may have said and is true is, that I went twice as such to Passamaquoddy Bay, the first time in November, 1780, under Colonel Allen, who commanded at Machias and was superintendent of Indian affairs in that quarter. It was then and at Passamaquoddy that I was for a few days left accidentally in command of some militia, volunteers, and Indians, and of a small temporary work defended by one cannon and soon after abandoned. As I never met the enemy, I have not the slightest claim to military services.

I remain with high regard, dear sir, your obedient servant.

GALLATIN TO GALES & SEATON.

New York, 27th February, 1846.

Gentlemen,—I was much gratified by the contents of yours of 21st instant, and of the enclosed memorandum. The only thing in it which seems to me rather objectionable is the apparent

inclination to make the action of the Senate to depend too much on the expected accounts from England, which may fluctuate, and should not be permitted to have too much influence.

I have, in the enclosed memorandum, stated freely my views of the subject. It is intrusted to your discretion, and may, if you see fit, be communicated to a member or members of the Senate, but accompanied by my wish that no use be made of my name. I hesitated indeed whether I should write it at all. My essay on that question was addressed to the public at large, and, whilst trying that it should not give any just subject of offence to any one, I used freely the right, which every citizen has, to express my opinion on any public measure. But to give it unasked for to any member of the Senate is quite another question. I have great confidence in, and sincere respect for, that body. Indeed, our hopes are centred in its wisdom; and I pray you to assure him or them, to which you may give a copy of it, that it was addressed to you, and must be considered as a mere suggestion, and not as an obtrusive interference.

With great regard, your friend and servant.

I will thank you to keep me advised now and then of whatever important may occur.

[Enclosure.]

New York, February 27, 1846.

It may be taken for granted that the British government is disposed to renew the negotiations, although the absolute rejection by our government of any arbitration may impede or delay the renewal.

It is impossible to divine the terms of a compromise for dividing the country, to which Great Britain would accede. But I have strong reasons for believing that the line which I suggested is the utmost we can expect at this time, and that she will also insist on the free navigation of the Columbia, for the free exportation and importation of products and merchandise, from and to her territory north of the division line. And I still think that some time is necessary for such subdual

of the present excitement, principally in the United States, before any rational hope can be entertained of a successful negotiation.

In the mean while, the great object must be to prevent collisions ultimately productive of war.

The fundamental point on which England has always insisted, for the maintenance of which she is fully committed, from which she will not and cannot recede, is resistance to the exclusive pretensions of the United States, and protection of British interests in Oregon and of British subjects residing therein, until the existing difficulties shall have been definitively settled by an amicable arrangement. The exclusive pretension of the United States alluded to, and which will be resisted, is that of exclusive sovereignty over the territory, or, in other words, the assumption on the part of the United States of jurisdiction over the British subjects residing in Oregon.

The existing convention provides for that object. It contains but one provision which is reciprocal, viz., that the country in question shall, together with its harbors, bays, and creeks, and the navigation of all rivers within the same, be free and open to the vessels, citizens, and subjects of the two powers. Neither power, therefore, can under the convention assume sovereignty or jurisdiction over the vessels, citizens, and subjects of the other.

But the convention neither permits nor forbids anything else. With the single exception of that for which it provides, the rights of both parties will be precisely the same whether the convention remain in force or be abrogated. With that single exception, the United States now have the same right to do all that which they might rightfully do if the convention were abrogated. It is on that account that I have not been able to discover what advantage could accrue to the United States from the abrogation of the convention; unless it was intended as a preliminary step to that assumption of exclusive sovereignty which it forbids.

As, however, a different opinion seems to prevail, and the Senate appears disposed to give the intended notice, but so modified as may promote an amicable arrangement and in the mean

while preserve peace, what are the modifications which may answer that double purpose?

The provisions and spirit of the Constitution should be kept steadily in view, and the distinct powers belonging to the President and Congress be equally respected. The power to carry on negotiations with a foreign power is exclusively vested in the President; and all that can be done on the present occasion by the Senate is to express the wish that the negotiations with Great Britain may be renewed, and perhaps to indicate the means by which they may be brought to a favorable issue.

But the power to make war is exclusively vested in Congress; and the President should not be permitted, without its authority, to commence hostilities, or to perform any act towards a foreign power or its subjects which such power has declared it would resist. Such collision is war, or must necessarily lead to war; and the declaration of the President that such is the object in giving the notice, renders it necessary to guard against that contingency.

Independent, therefore, of any modification respecting the course of the negotiations which the Senate may think proper to adopt, it appears to me indispensable for the purpose of preserving peace that some such provision as the following should be added to the resolution for giving the intended notice, viz.:

"That exclusive sovereignty over the Oregon territory or jurisdiction over British subjects residing therein shall not be assumed by the United States unless by virtue of a treaty or of an act of Congress to that effect."

In this way the respective powers of the President to negotiate, and of Congress to authorize hostilities, would be carefully preserved, and the Executive be only kept within the legitimate limits of his constitutional authority. And Congress, without committing itself, would, in fact, declare that if the negotiations should fail, it was prepared to pursue whatever course might be required by the rights and the interests of the country.

It appears, also, to me that, whilst peace would thus be preserved for the present, the declaration would have a happy in-

fluence over the negotiations, inasmuch as it would remove the apparent threat implied in the intended notice without this explanation.

GALLATIN TO W. L. MARCY, Secretary of War.

New York, 17th March, 1846.

Dear Sir,—I have the honor to transmit two copies of the first volume of the Transactions of the American Ethnological Society,—one for the War Department, and the other for the office at Washington of the Commissioner or Superintendent of the Indian Department. The modern appellation of "Ethnological" has been substituted for that of "Antiquarian." Its seat is at New York; that of the American Antiquarian Society is at Worcester, Massachusetts; the object of both is the same.

In the year 1836 I transmitted to the War Department a copy of the second volume of the Antiquarian Society of Massachusetts, the principal article of which, under the name of "A Synopsis of the Indian Tribes of North America," was supplied by me. Its principal object was a classification, according to their respective languages, of the Indian tribes within the United States, and farther north in the British and Russian possessions. But, from want of materials, the Indians west of the Stony Mountains were, with the exception of a few imperfect notices, necessarily excluded. With respect to the Indians east of the Stony Mountains, and in reference to the classification founded only on vocabularies, I may be permitted to say that it is nearly complete, has become a standard work, and requires only some additions and corrections and the publication of more enlarged vocabularies which cannot be undertaken by any private society. But the analysis of the grammar or structure of those languages is, as might be expected, very imperfect.

I was, in preparing this work, greatly assisted by the War Department, which, at my request, had in the year 1826 transmitted to the principal Indian agents printed copies of the intended vocabulary and of a series of queries, the purpose of which was to elicit the principal features of the structure of

the respective languages. It appeared at that time to have been the intention of the War Department to publish the result of my researches; but these having been suspended during several years by avocations of a public nature, and near ten years having elapsed before my work was ready for publication, I made no application to the Department for that purpose; and I accepted the invitation of the Antiquarian Society of Massachusetts to have my essay inserted in its Transactions. The result, however, was a great curtailment of the vocabularies which had been collected, as these, if published at large, would have greatly exceeded the space assigned to me.

A small portion of the volume which I now send to you relates immediately to our own Indians. Yet the essay which I have supplied, under the name of "Notes on the Semi-Civilized Nations of North America," is but a sequel of the former work, principally in reference to philology and agriculture. The work has been favorably received, principally in Germany and France, and has, we are told, added something to the literary reputation of our country. But that which is naturally expected from us, and which should be the principal object of our next volume, is to collect all the information that can be obtained respecting our own Indians. The annual reports of your agents will probably afford that which relates to the social state and apparent progress of civilization of those people. But the most difficult branch of the subject, and that to which the attention of our society is naturally drawn, is a much more complete knowledge of the grammar or structure of the several languages, or rather families of languages. This differs so much from the grammatical system to which we are used that it cannot be acquired without much time and labor. Where English schools have been established for some length of time, or, in other words, where intelligent Indians have received a good English education, they may become the best interpreters of their own language. As yet, however, our reliance must be on such of our missionaries and teachers of Indian schools as are sufficiently educated and intelligent to perform the required work; that is to say, to prepare concise and yet complete grammars of the principal languages. It is

principally for that purpose that, in behalf of our society, I beg leave to request your aid. This would consist in the selection of the proper persons to whom application should be made (amongst whom I can only mention the Rev. Mr. Worcester for the Cherokee, and Mr. Byington for the Choctaw), and a request to them on the part of your Department to comply with our wishes. In case you should feel disposed to favor our object, our society will prepare a circular explaining as clearly as we can the subjects of inquiry.

For all further details permit me to refer you to my friend and collaborator, Mr. Bartlett, who will have the honor to present this letter to you. Our society will in its next and ensuing volumes gradually publish those several grammars, together with such other miscellaneous information as can be obtained. The question whether the War Department may not afford us further aid, by subscribing for a number of copies of our next volumes for the use of its Indian agents, sub-agents, and school-teachers, may be left open for the time when the society will be ready to publish its next volume. We have no funds; the greater part of those necessary for the publication of our first volume has been advanced by Mr. Bartlett and myself; we distribute gratuitously near two hundred copies, and the sale of a work of this kind is very slow. We cannot afford to give away the twenty or thirty copies which we would wish to be distributed amongst the agents, missionaries, &c., to whom our circular should be directed; and yet that distribution would be very useful for our object. All the American languages, as far as they have been investigated, though differing in many respects, have strongly marked common characters; and the analysis of the Mexican and other languages, contained in our first volume, would point out the direction to be pursued in the investigation of the structure of the languages of our own Indians better than any general views that we might suggest. Whether these considerations may be deemed sufficient to induce you to purchase the requisite number of copies, though but a subordinate point, is submitted to your judgment.

I have, &c.

GALLATIN TO J. R. INGERSOLL, M.C.

New York, March 25, 1846.

Dear Sir,—I received yesterday your letter of the 21st, in which you invite me to communicate my views on the tariff.

I have not attended to that subject since the year 1832, and have not the documents necessary to form an opinion on the details of the bill proposed by the Secretary of the Treasury. I have seen in the newspapers the bill and his annual report at the opening of the session, but not the documents annexed to it. At the time when the Act of 1842 was passed, the renewal of the minimum provision, and the exaggerated duties on sugar, iron, woollen goods, and some other items, appeared to me highly objectionable. But with the practical operation of that tariff I am but very imperfectly acquainted.

I have not been out of my house since the month of November, and I have no one to assist me in seeking and selecting, in public or private libraries, the requisite documents. Finally, I could not, if I had them, undertake at this time the arduous labor of arranging (and occasionally correcting) all the facts, not only found in official documents, but including also many respecting commerce and manufactures, which must be derived from private information. It is only from a thorough investigation of all the well-ascertained facts that can be obtained that I ever was able to draw any legitimate inferences. It may be otherwise with men more sagacious or bolder than I am, but if I have ever produced anything perspicuous and useful, it has uniformly been the result of long experience or of arduous and persevering labor. On the present occasion, I could only allude to some general principles, which alone are not sufficient to solve in a satisfactory manner the important problem of a permanent tariff.

I was, as far as I know, the earliest public advocate in America of the principles of free trade, and I have seen no cause to change my opinion, which has, on the contrary, been corroborated by the experience and the discussions, at home or abroad, of the sixty years which have since elapsed.

I agree, therefore, with the Secretary of the Treasury in considering a revenue tariff as a proper general basis; and he has defined it in a felicitous manner. But it is also necessary that the proposed tariff should not only receive the approbation of the present Congress, but also be such as may secure as far as practicable its permanency; for perpetual changes and uncertainty are amongst the most serious obstacles to the progressive development of national enterprise and industry. This end cannot be attained without some mutual concessions; and, for the sake of harmony and permanency, I would be willing to concede to a certain extent. Yet if the average rate of duty which the revenue requires should be from twenty to twenty-five [per] cent., I really think that manufactures which require a larger than that incidental protection must generally be considered as unnatural, forced, hot-house products.

There may be some few exceptions, respecting which I can only repeat that I am not sufficiently informed. You have, however, pointed out in the proposed bill two subjects which appeared to you exceptionable; and as they had struck me in the same way, I will confine my observations to these.

The first is, the principle adopted by the Secretary of the Treasury to convert all specific duties into duties ad valorem.

It is certainly necessary for a full understanding of the subject to ascertain the value of the various species of merchandise imported. It is the most important element in forming an estimate of the proper rate of duties under any tariff whatever: it is exclusively the basis of that which has been called a horizontal tariff. But so different are the views taken of the same subject by different minds, that there had been to this day a constant effort on the part of Congress and of those who administered the financial department to substitute whenever it was practicable specific for duties ad valorem. The only reason I can perceive for the proposed change is that the specific duty can hardly ever correspond with precision with the ad valorem duty for which it is substituted. For in almost all cases it is impossible to distinguish every variety of the same article so as to impose on each variety a distinct duty proportionate to its value; and, moreover, the same identical article varies in value from year to year,

according to the variations in supply and demand. This objection may have some weight with those who contend for perfect uniformity, and who, in order to be consistent, should insist on laying the same rate of duty, according to its value, not only on every article now charged with a specific duty, but also on all those which are now imported free of duty. When this principle is abandoned and when various rates of duty are still proposed as heretofore, it seems to me that the objection loses almost all its force, and that, the principle of uniformity being set aside, an approximation is all that is necessary; that, for instance, the same duty may, without the slightest practical inconvenience, be laid on brown sugar, whether it comes from Cuba or Jamaica, from the East or from the West Indies, and notwithstanding any permanent or fluctuating difference in the prime cost of either.

March 28. I had gone thus far when I received last night the report of the Secretary of the Treasury of 3d December, 1845, together with the accompanying papers and tables, a huge volume of nine hundred and fifty-seven pages. This document would alone have been sufficient to satisfy me, had I not been already fully sensible of it, that a thorough investigation of the subject is a task altogether beyond my strength. You cannot expect anything from me but some desultory observations. I place more confidence in the opinion I entertain respecting the propriety of specific duties than in any other in which I may differ from the Secretary of the Treasury, and will now resume the subject where I left.

It must be admitted that, considered only as an abstract proposition, duties ad valorem come nearer ideal perfection than specific duties. I contend at the same time that, whenever the nature of the article taxed is such that a specific duty may be laid which will on an average be an approximation of the rate of duty ad valorem intended to be imposed on such article, the want of perfect precision is but a subordinate consideration when compared with the great practical advantages of specific duties.

Amongst the articles now subject to specific duties there is none apparently less susceptible of that form than manufactures

of silk. A single glance at the statement of imports for 1845 (D, page 55), in which the weight of those not specified is 763,463 pounds, and their value 7,791,285 dollars, shows that a duty of one dollar per pound is nearly equal to one of ten per cent. on the value; and we find accordingly in the same line of the same table that the present duty of two dollars and a half on the pound is equivalent to a duty of 24.27 per cent. on the value. In the statement of the commerce of the United States for the year ending 30th June, 1844, the weight of the same description of goods is stated at 634,426 pounds, and their value at 6,208,239 dollars, which makes the duty of two dollars and a half per pound equivalent to one of 25.55 per cent. on the value. The average of both makes the same duty per pound equivalent to one of 24.91 per cent. on the value. If, therefore, it be intended to lay a duty of 35 per cent. on the value of those manufactures, a specific duty of three dollars and a half per pound will be nearly its equivalent. Two objections may be made to this. The first, and, as I think, the only one which has any weight, is that the various manufactures of silk charged with a uniform specific duty do differ in value; and if the difference was considerable the objection would be fatal. But with respect to silk, the value of the raw material is so great, and in all silk tissues the difference in the labor bestowed on their various species so comparatively small, that it may for all practical purposes be neglected. Silk stockings are not subject to the same rule, and should be charged with a distinct specific duty.

The other objection, derived from the difference of the value of the same article in different years, appears to me not only to be groundless, but, on the contrary, to afford an argument in favor of the constant specific duty. Those fluctuations are not the consequence of an alteration in the prime cost or intrinsic value of the article, but of the variations in the annual crops of agricultural products, or of other incidental causes affecting the ratio of supply to actual demand. A duty ad valorem varying with those fluctuations is somewhat analogous to the sliding scale of the British corn duty, but its operation is the reverse. In England the duty was lessened in proportion as the price of the corn rose higher. A duty ad valorem, whether on corn, sugar,

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that this amount was nearly equal in the two periods of three years each of 1805 to 1807 and of 1835 to 1837. These, together with the corresponding expenses of collection taken from the official documents, are as follows:

	1805 to 1807.	1835 to 1837.
Aggregate of imports and foreign exports,	$561,616,000	$541,970,000
Annual average of do. do.	187,205,000	181,657,000
Do. do. of expenses of collection,	593,000	1,392,000

Thus we find that, for transacting about the same mass of business, the positive annual increase of expenses is eight hundred thousand dollars, and that the ratio of expense to business has, within the same period of thirty years, increased at the rate of 1 to 2.43.

I am far from ascribing the whole of that increase to the present system of valuation and appraisement. Two other causes have had a much more powerful effect in producing that result. The first is the general and constant tendency of every department and branch of the government to enlarge the scale of expenditure with which it is connected. This is most strongly exhibited by the chiefs of bureaus and other similar subordinate officers, who never see or think of more than one single object; but it is visible everywhere, in the contingent expenses of Congress and others of a civil nature as well as in those of the military and naval departments. The Secretary of the Treasury, on whom devolves the task of devising means sufficient to defray the whole national expenditure, may be an exception; but he is powerless unless sustained by the President and by Congress; and the preceding statements show a great increase of expense in that branch which is under his immediate control.

The other general course to which I have alluded is the abuse of patronage, the system of political rotation and proscription applied to clerks and to the most subordinate officers, which, as it originates in the thirst for offices, cannot supply the appetite of the applicants without increasing the number of offices. Still, a certain portion of the increased expenditure incident to the collection of the revenue must be ascribed to the rigorous system of appraisement rendered necessary by an exaggerated tariff. And this is an additional argument in favor of specific

duties, which, so far as they may be applied, lessen in the same proportion the expenses of collection.

Viewing the subject under all its aspects, I would say that a general system of duties ad valorem may appear most convenient to the lawgiver, inasmuch as he has nothing more to do in that case than to decide on the rate of duty to be imposed on each species of merchandise. The substitution of specific duties requires considerable additional labor in order to ascertain the species of goods to which they may be applied and the proper equivalent for the duty to which such goods would be subject if this was laid according to their respective value; and I have no doubt that the specific duties now laid require in many instances modifications and corrections. But, on the other hand, after that labor shall have been performed and the law rendered as perfect as the nature of the case will admit, it appears to me, for the reasons which have been stated, that for all practical purposes, in reference to a faithful execution of the laws and to justice, specific duties should be preferred to those founded on a valuation of the article in all the cases where they may be properly applied. I may be permitted to add that, limited as is my intercourse with the world, I am assured that fair traders, engaged in the importation of certain descriptions of goods, declare that they cannot stand the double competition of underrated invoices and direct smuggling.

30th March. I will, if I can, address you another letter on the subject of goods which may be imported free of duty. But you may perceive from the deficiencies and desultory tenor of the preceding observations that I am neither prepared nor able to treat the subject in a manner satisfactory to me or useful to the public. Such imperfect and vague suggestions are not worth the labor they cost me. I pray you to accept, &c.

GALLATIN TO J. A. PEARCE, U. S. SEN.

NEW YORK, April 2, 1846.

DEAR SIR,—I have the honor to enclose a memorial of the American Ethnological Society respecting the publication of a cheap edition of the scientific volumes of the exploring expedition. The proposed publication by the society of that portion of Mr. Hale's report which relates to the Oregon Indians would fill about one-half of our next volume; and I believe that a subscription or direct aid on the part of government of about two hundred dollars would be sufficient for that purpose. I will thank you to let me know as soon as convenient what may be the prospect on that point. Permit me to submit a further request of a personal nature.

I published ten years ago, in the Transactions of the Massachusetts Antiquarian Society, a "Synopsis of the Indian Tribes within the United States and the British Possessions east of the Rocky Mountains." This work, of more than four hundred pages, of which more than one-third consists of vocabularies and grammatical forms, consumed in all about eighteen months of my time, and cost me a few hundred dollars in journeys and compensation to transcribers. I need not add that I never derived a single dollar from it; my reward was in the labor itself. The object of that essay, independent of some imperfect grammatical notices, was a classification of the Indian tribes according to their respective families of languages and distinct dialects. I succeeded so far as to reduce the number of languages east of the Stony Mountains to ten great families (Esquimaux, Athapascas, Algonkins, Iroquois, Sioux, Cherokees, Choctaws, Muskogees, Caddos, Pawnees), subdivided into more than fifty distinct dialects, and to six other totally distinct languages, spoken by as many tribes, which at this time do not embrace more than five or six thousand souls. I have since obtained complete vocabularies of three important tribes (Black Feet, Fall Indians, Crows), of which I had not been able to give more than specimens. With the exception of the Indians of Texas or its borders, and of two or three other small tribes which are still

doubtful, the classification in its general outlines is complete and certain. More extensive vocabularies, and, above all, a more profound investigation of the structure of those languages, are necessary, and form one of the principal objects of the Ethnological Society. For want of materials the country west of the Stony Mountains was almost entirely omitted in my essay. This chasm has now been filled to a considerable extent by the labors of Mr. Hale, who, as I understand, was eminently qualified for the task; and I feel very anxious to compare the Oregon languages with those of the Indians east of the Stony Mountains. Many men understand far better some of the Indian languages, and are in other respects better qualified to investigate their structure than I am; but, from the more extensive views I have taken of the subject, which have been since extended to the Mexican nations, I have acquired some facility in discovering real analogies, and am willing and desirous to undertake the task. I am a very old man, and cannot wait for the intended cheap publication. On applying to the publishers in Philadelphia for Mr. Hale's volume, I was informed that they could not dispose of a single copy without the permission of the Committee on the Library of Congress; and the favor I now respectfully ask is, that the committee might be pleased to direct the publishers, Messrs. Lea & Blanchard, to supply me at once with a copy of that volume.

GALLATIN TO THE HONORABLE COMMITTEE ON THE LIBRARY OF CONGRESS.

New York, April 2, 1846.

The American Ethnological Society begs leave to express respectfully its desire that the honorable Committee on the Library of Congress may be pleased to adopt and recommend such measures as may be necessary for publishing a cheap edition of the scientific volumes of the exploring expedition. It is believed that all the American literary and scientific societies and all the private individuals engaged in similar pursuits concur in that

wish; and it seems to be proper that a work which is the result of an expedition defrayed by the public treasury may be purchased at a price within the reach of those who are most desirous of obtaining it. As the maps and plates have already been engraved at the public expense, it is presumed that a very moderate sum will be sufficient to encourage the publication; for each volume of the splendid edition which has been published may be printed with a good type in an octavo form of the same number of pages.

The Ethnological Society, from the nature of its pursuits, is naturally more anxious for the publication of the philological volume of the work, and particularly of that portion which relates to the Oregon Indians. It is stated that this does not exceed 160 pages, with only a small map and no other plate. It is the intention of the society, if it meets with sufficient encouragement, to publish gradually a comparative vocabulary of all the Indian languages within the United States.

The vocabularies and philological information collected by Mr. Hale are necessary for that purpose, and the more valuable as nothing that could be relied on had as yet been obtained respecting the languages west of the Stony Mountains and south of Nootka. It is desirable, for the sake of the student, of the public Indian agents, and of the missionaries, that a complete collection may be found in the same work. Independent of the general republication of all the scientific volumes, the society is desirous to publish in its next volume that portion of Mr. Hale's work which relates to the Oregon Indians, and would be enabled to do it by a very small aid on the part of government.

All which is respectfully submitted in behalf and by order of the society.

GALLATIN TO EBEN DODGE.

New York, 21st January, 1847.

Sir,—I write at all times with difficulty, and the fluctuating state of my health occasionally compels me to cease attending to any business. The delay in answering your letter is due to

this cause. It was not to the Historical Society of New York that I gave some account of the Academy of Geneva, but to a so-called "literary convention" connected with the establishment of our new university. I was unexpectedly called upon to give some account of that academy, which I did at once unprepared and very imperfectly. There was, I think, a publication of the transactions of that literary convention, which I have not or cannot find; and I doubt whether it contains that imperfect notice of the Geneva Academy, which I never committed to writing.

I have never read or seen any account of that academy. I was intimate in Mr. Senebier's family, he and one of my uncles having married sisters. He was a most worthy man, had much general knowledge, cultivated physical sciences as well as literature. Laborious, erudite, a most capital librarian, he had not a discriminating mind; and his Literary History of Geneva is universally admitted to be a failure. Yet in one respect the book is useful: it contains the most complete list in existence of the works of all the persons whose names he has introduced, and of all the works connected with the subject of his researches. I think, therefore, that to the time when he wrote (1786), the list he gives, in the beginning of his first volume, of the publications relating to the academy is complete. You will perceive that, with the exception of some ephemerous addresses or similar productions, all the published accounts of the academy belong to the sixteenth century. The fact is that in its organization and general outlines it had not, when I left Geneva, in 1780, been materially altered from the original institutions of its founder. Whatever may have been his defects and erroneous views, Calvin had at all events the learning of his age, and, however objectionable some of his religious doctrines, he was a sincere and zealous friend of knowledge and of its wide diffusion amongst the people. Of this he laid the foundation by making the whole education almost altogether gratuitous from the A B C to the time when the student had completed his theological or legal studies. But there was nothing remarkable or new in the organization or forms of the schools. These were on the same plan as colleges were then, and generally continue to be in the

old seminaries of learning. The following sketch applies to the year 1780: I was graduated (as it would be called here) in 1779.

In the first place, besides the academy proper, there was a preparatory department intimately connected with it and under its control. This in Geneva was called "the College," and consisted of nine classes (each taught and governed by a *regent*, all under the immediate superintendence of an officer, generally a clergyman, called *principal*, and by virtue of his office a member of the academy in addition to its professors); the three lower of which, for reading, writing, and spelling, were not sufficient for the wants of the people, and had several *succursales* or substitutes in various parts of the city. But for that which was taught in the six upper classes (or in the academy) there were no other public schools but the college and the academy. In these six classes nothing whatever was taught but Latin and Greek, Latin thoroughly, Greek much neglected. Professor de Saussure used his best endeavors, about 1776, when rector of the academy, to improve the system of education in the college by adding some elementary instruction in history, geography, and natural science, but could not succeed, a great majority of his colleagues opposing him. It is specially in that respect that the original plan of Calvin (his rigid discipline and religious doctrines excepted) was within my own time adhered to. I must observe that a college for teaching Latin and logic had been founded in 1429 by a rich and patriotic citizen named Versonay. For this the new college was substituted, in 1559, on the repeated applications of Calvin, a new site selected, new buildings erected (still subsisting), and the whole new modelled the following year.

At the same time (1559), and under the same impulse and direction, the academy was instituted; but with the progress of science has since been vastly improved. At first there were but five professors, two of theology (Calvin and De Beze), one of Hebrew, one of Greek, and one of philosophy. The first professor of law was appointed in 1565; of belles-lettres (Casaubon) in 1582; of pure mathematics in 1632. The general organization from about the middle of the seventeenth century was as follows:

There were two distinct departments. The upper consisted of two faculties, that of divinity under four professors, two of theology, one of ecclesiastical history, and one of Oriental languages, or rather of Hebrew; and that of law under two professors, one of civil and one of natural law and the law of nations. The term of studies in each was four years, at the end of which they were respectively ordained, or admitted as advocates (lawyers). Almost every young man in independent circumstances, who had not a decided taste for natural sciences, studied law and was thus admitted. Very few ever practised; those who did, only during a few years: it was not a lucrative profession. From causes not connected with our subject, there was hardly any litigation in Geneva. (See Naville's "Etat Civil de Genève.") I allude here to the fact of that general study of the law, because it is connected with the academy, and was one of the means through which knowledge and the habit of study were widely disseminated. Although Geneva has produced celebrated physicians (the Bonet, Butini, Tronchin), there was no medical school. The students went either to Montpellier or to Edinburgh; those intended to be surgeons, generally to Paris. The practising physicians were called the faculty of medicine. No student, whatever degree he might have obtained abroad, was permitted to practise in Geneva till after a severe examination by that faculty, of which he then became a member. Theodore Tronchin, pupil of Boerhaave, was admitted without examination, and the nominal title of professor of medicine bestowed on him.

The other department of the academy, which the scholars entered on leaving college, and from which, after four years' study, they entered, if they thought proper, one of the upper schools of divinity or law, corresponded exactly in its object and studies with our own colleges. The organization differed from, and was, in my humble opinion, not so good as, ours in America. It consisted of two *auditoires* (so called); the inferior for belles-lettres, the higher for philosophy; the length of study in each two years, and each consisting of two classes, which were taught together. Thus the boy who had just left college studied during his first year in the academy in common with

the class next before him, and during his second year in common with those of the class next after him. You will at once perceive the inconvenience of that arrangement, which was still more injurious in the philosophical *auditoire* than in that of belles-lettres, and became fatal with respect to pure mathematics. For as it was impossible to teach the transcendent to a boy who was not acquainted with the elementary foundation, the result was that the instruction was in that respect purely elementary, and that the same course was repeated every year. Yet one benefit grew out of this. The elements of geometry and algebra were better taught, and, by being repeated twice, better inculcated, than perhaps anywhere else. Now, as the knowledge of the calculus is wanted only by the few, and that of the elements by everybody, it followed that in this way useful and necessary elementary knowledge was better inculcated and more extensively diffused. Another difference consisted in this:

The *auditoire* of belles-lettres had but one regular professor, who taught two hours every day (Thursday excepted), and to him was generally added an honorary unpaid professor of history, who gave but irregular and occasional lectures. With that exception, nothing was taught in that auditoire but Latin and Greek, with due attention, however, not only to the language but also to literature. Nothing whatever foreign to those purposes was introduced, not the slightest preparatory instruction in mathematics or natural science. On the other hand, the study of the languages was altogether excluded in the auditoire of philosophy. Only, as all the lectures and examinations, save only those of pure mathematics, were in Latin, the habit of speaking fluently, but without any elegance, that language was preserved. In this auditoire there were three professors. The ten regular professors (four divinity, two law, three philosophy, one belles-lettres), the adjunct honorary professors, and the principal of the college constituted "the academy." They had a "rector," triannually appointed, and the immediate control of both the college and academy. In the annual distribution of medals or premiums amongst the scholars of the college, they examined the various compositions, &c., and designated the candidates for said prizes, generally twice as many

as there were prizes. These scholars were named *conférents*. Amongst these the Venerable Company of Pastors selected those entitled to the prizes, one of pure mathematics and two of physical and intellectual or moral science, who formally alternated, but who practically taught each its own branch. That of physical science was almost always admirably taught; in the other department nothing was taught but commonplace obsolete logic, which was partly due to the improper (in my time the only one) selection of the professor, who was an excellent classical scholar, but altogether unfit for the station he occupied. These professors taught each but one hour a day. There was an honorary professor of astronomy, a man of merit, who had founded the observatory, and who occasionally delivered some lectures. There were no premiums of any kind, nor any change of places or rank amongst the students; they preserved throughout the whole course of their studies (including divinity and law) the same relative rank which had been adjudged to them when they left the upper class of the above-mentioned department called "college." The academy granted no degree either of A.B., A.M., D.D., or LL.D. The only form was, "You are permitted to enter a superior *auditoire*." The only exception was in favor of the students intended for the medical profession. To these a sort of diploma was given of A.B. or A.M., which was useful, and in France necessary for their free admission in the foreign schools of medicine. The only incentive or stimulus was that of the annual examinations, which were public, fair, severe, and followed, for each student separately, by an oral and impartial address from the rector of the academy expressive of its approbation, animadversions, and advice, as his case deserved or required. Yet it must be admitted that all were almost universally permitted to pass muster; and you know that this is generally the case in our colleges. For reasons, partly derived from experience, which it would take too much time to explain, I think that this course is beneficial.

From this statement it is obvious that, when not aided and stimulated by enlightened parents or friends, the students, from the time when they entered the academy (on an average when about or rather more than fifteen years old), were left almost to

themselves, and studied more or less as they pleased. But almost all had previously passed through at least the upper classes of the college. (I was the only one of my class, and of the two immediately preceding and following me, who had been principally educated at home and had passed only through the first or upper class of the college.) And there their minds had been disciplined and they had acquired the habit of study. For, however limited the course of instruction, and although the Latin they had learned there was in itself of no use to them and soon forgotten when they did not prosecute their studies any farther, yet the study of the classical languages *when properly taught* (banishing all printed translations or explanatory annotations) is most admirably adapted to the intellect of the young scholars, calculated to develop their faculties, and to give them the habit of exercising these and of that labor and persevering labor of the mind without which talents, even of a high order, become almost useless. I may here state that in the years 1775–1779, the average number of the scholars in the four upper classes of the college was about one hundred, and that of the students in the four first years of the academical course, viz., the auditoires of belles-lettres and philosophy, about fifty, of whom not more than one or two had not passed through at least the three or four upper classes of the college. Very few mechanics, even the watchmakers so numerous in Geneva and noted for their superior intelligence and knowledge, went beyond the fifth and sixth classes, which included about 120 scholars. As to the lower or primary classes or schools, it would have been difficult to find a citizen *intra muros* who could not read and write. The peasantry or cultivators of the soil in the small Genevese territory were indeed far more intelligent than their Catholic neighbors; but still, as in the other continental parts of Europe, a distinct and inferior class, with some religious instruction, but speaking *patois* (the great obstacle to the diffusion of knowledge), and almost universally not knowing how to read or to write. The population *intra muros* was about 24,000 (in 1535, at the epoch of the Reformation and independence, about 13,000), of whom nearly one-third not naturalized, chiefly Germans or Swiss, exercising what were considered as lower

trades,—tailors, shoemakers, &c.,—and including almost all the menial servants. I never knew or heard of a male citizen or native of Geneva serving as such. The number of citizens above twenty-five years of age and having a right to vote amounted, exclusively of those residing abroad, to 2000.

It is a certain fact that Geneva has, in proportion to its population, produced its full quota of distinguished men in the various branches of science, literature, and arts (not one poet, and but one, Rousseau, remarkable for eloquence); and, moreover, that there have been, since at least the beginning of the eighteenth century, a greater number of well-informed men in every branch of science, physical or intellectual, than could be found in any provincial town of Europe, with the single exception of Edinburgh, which was far more populous and in some respects a metropolis. Although the college and the academy were the basis on which education rested in Geneva, and although by far the greater portion of those well-informed men were *alumni* of these schools, yet it is clear from what precedes that there was not any superiority in their organization or outward forms over those of other similar European institutions. The essential difference, as far as the college and academy were directly concerned, consisted in the excellent choice of the regents and professors. From the origin of those institutions to this day the ablest men, in every branch respectively, whose services could be obtained, were always selected. At first, both the regents of the college and the professors of the academy were almost exclusively distinguished and learned French refugees. Nearly a century elapsed before Geneva could supply its wants in that respect out of its own stock; but by that time it was rich enough to send abroad teachers and clergymen. Yet even then, and since, distinguished foreigners were occasionally appointed to those places. And the result was that the professors were often men of superior merit, and always possessed, in their respective branches, of all the learning of their age. At first they were appointed by the *Vénérable Compagnie de Pasteurs*, and to the time when I left Geneva that body preserved a certain influence in that respect. I am not well acquainted with the precise organization of that company, and can only say that it embraced

all the ministers of the gospel who were or had been ministers of any of the parishes within the city, and all the other distinguished clergymen of the republic. But the right to appoint was at an early date vested in the Council of Two Hundred, which consisted of the most notable citizens and a great portion of the most enlightened, clergymen excepted, who were not permitted to make part of that political council. The Consistory, which had cognizance of offences against religion and morals, and which alone could excommunicate, consisted of six clergymen, selected by the Venerable Company, and six laymen, selected by and members of the Council of CC. The prodigious and pernicious power which the Catholic clergy had acquired by the abuse of excommunication, made the Genevese government inflexible in that respect in spite of Calvin's efforts. In few rare instances, men were appointed without examination who by their previous works had acquired an undisputed preeminence; and this was principally done in the appointment of honorary, unpaid professors. In all other cases the competition was open to all, and the examinations were most thorough and severe, for both professors and regents, continued sometimes for weeks, and testing not only the general capacity and knowledge of the candidates, but also their talent for teaching. All this was done publicly, and the decision of the Council of CC. always fair and almost universally approved. Bad choices were as few as the imperfection of human nature can permit. But how could Geneva command the services of the most eminent men she possessed? and why had the honor of being a professor become such an object of competition for all her citizens? Not, certainly, on account of the salary, which amounted only to 500 dollars a year, paid by government, and not a cent of fees by the students or any perquisites of any kind. Independent of the desire of being useful by devoting their faculties to the national education, the leading motive was the high degree of consideration attached to the office. The professors of the academy stood in their social position at least on a par with the first magistrates of the republic; they were at the head of the social scale. This could have taken place only in an enlightened community and where learning was held in high estimation; and I believe that

this was principally due to the special position in which circumstances had placed Geneva.

(February. I had proceeded thus far, though with several interruptions, when a severe cold prostrated me and compelled me to suspend all my mental avocations. I will abridge what I had yet to say.)

The conquest of Pays de Vaud by the Bernese, in 1536, the simultaneous occupation of the dominions of the Duke of Savoy by France, which continued till the Treaty of St. Quentin, and the pacific policy of the Duke Emanuel Philibert (1553–1580), when reinstated by that treaty, gave a long respite to Geneva, which the declaration of independence and the adoption of the Reformation had placed in imminent danger of being subjugated by her powerful neighbor. Though occasionally threatened specially during the religious civil wars of France (about 1560–1590), and imperfectly fortified, it was comparatively a place of safety for the persecuted Protestants of France, and became their city of refuge. There Calvin and Beza lived and died (1537–1605). The paramount influence of both over the Reformed churches of France, of Calvin through the whole of Protestant Europe, gave an unexpected reputation and importance to Geneva. Its college and academy became the resort of the French Protestants, and the nursery of their clergymen; the city their religious metropolis. The study of divinity with a Protestant implied a thorough knowledge of the dead languages, and gradually extended to law and antiquarian researches. Under those auspices the chairs of professors, filled from the beginning by most eminent men, became an object of great competition; and an ardent love of study and consequent diffusion of knowledge pervaded the Genevese community.

There was in Geneva neither nobility nor any hereditary privilege but that of citizenship, and the body of citizens assembled in council general had preserved the power of laying taxes, enacting laws, and ratifying treaties. But they could originate nothing, and a species of artificial aristocracy, composed of the old families which happened to be at the head of affairs when independence was declared, and skilfully strengthened by the successive adoption of the most distinguished citizens and emi-

grants, had succeeded in engrossing the public employments and concentrating the real power in two self-elected councils of 25 and 200 members respectively. But that power rested on a most frail foundation, since, in a state which consists of a single city, the majority of the inhabitants may in twenty-four hours overset the government. In order to preserve it, a moral, intellectual superiority was absolutely necessary. This could not be otherwise attained than by superior knowledge and education; and the consequence was that it became disgraceful for any young man of decent parentage to be an idler. All were bound to exercise their faculties to the utmost; and although there are always some incapable, yet the number is small of those who, if they persevere, may not by labor become, in some one branch, well-informed men. Nor was that love and habit of learning long confined to that self-created aristocracy. A salutary competition in that respect took place between the two political parties, which had a most happy effect on the general diffusion of knowledge.

During the sixteenth and the greater part of the seventeenth century the Genevese were the counterpart of the Puritans of Old and of the Pilgrims of New England,—the same doctrines, the same simplicity in the external forms of worship, the same austerity of morals and severity of manners, the same attention to schools and seminaries of learning, the same virtues, and the same defects,—exclusiveness and intolerance, equally banishing all those who differed on any point from the established creed, putting witches to death, &c., &c. And, with the progress of knowledge, both about at the same time became tolerant and liberal. But here the similitude ends. To the Pilgrims of New England, in common with the other English colonists, the most vast field of enterprise was opened which ever offered itself to civilized man. Their mission was to conquer the wilderness, to multiply indefinitely, to settle and inhabit a whole continent, and to carry their institutions and civilization from the Atlantic to the Pacific Ocean. With what energy and perseverance this has been performed we all know. But to those pursuits all the national energies were directed. Learning was not neglected, but its higher branches were a secondary object; and science was cultivated almost exclusively for practical purposes, and

only as far as was requisite for supplying the community with the necessary number of clergymen and members of the other liberal professions. The situation of Geneva was precisely the reverse of this. Confined to a single city and without territory, its inhabitants did all that their position rendered practicable. They created the manufacture of watches, which gave employment to near a fourth part of the population, and carried on commerce to the fullest extent of which their geographical situation was susceptible. But the field of active enterprise was still the narrowest possible. To all those who were ambitious of renown, fame, consideration, scientific pursuits were the only road that could lead to distinction, and to these, or other literary branches, all those who had talent and energy devoted themselves.

All could not be equally successful; few only could attain a distinguished eminence; but, as I have already observed, a far greater number of well educated and informed men were found in that small spot than in almost every other town of Europe which was not the metropolis of an extensive country. This had a most favorable influence on the tone of society, which was not light, frivolous, or insipid, but generally serious and instructive. I was surrounded by that influence from my earliest days, and, as far as I am concerned, derived more benefit from that source than from my attendance on academical lectures. A more general fact deserves notice. At all times, and within my knowledge in the years 1770–1780, a great many distinguished foreigners came to Geneva to finish their education, among whom were nobles and princes from Germany and other northern countries; there were also not a few lords and gentlemen from England (even the Duke of Cambridge, after he had completed his studies at Göttingen); besides these there were some from America, amongst whom I may count before the American Revolution those South Carolinians, Mr. Kinloch, Wm. Smith, —afterwards a distinguished member of Congress, and minister to Portugal,—and Colonel Laurens, one of the last who fell in the war of independence. And when I departed from Geneva I left there, besides the two young Penns, proprietors of Pennsylvania, Franklin Bache, grandson of Dr. Franklin, —— Jo-

hannot, grandson of Dr. Cooper, of Boston, who died young. Now, amongst all those foreigners I never knew or heard of a single one who attended academical lectures. It was the Genevese society which they cultivated, aided by private teachers in every branch, with whom Geneva was abundantly supplied.

GALLATIN TO GEN. WINFIELD SCOTT.

NEW YORK, November 2, 1847.

MY DEAR SIR,—Though opposed in principle to the Mexican war, I have followed with great interest the series of your military operations, and, as your sincere friend and admirer, I do most heartily congratulate you on the great skill you have displayed, and on your most extraordinary success. The Administration did undoubtedly all that was in its power; but the force with which you were supplied was inadequate to the object in view. It became impossible to keep open your line of communication. Insulated and left to your own resources, you had, with hardly 10,000 effective men, to encounter and conquer all the forces of Mexico, concentrated for the defence of their capital and protected by strong positions and fortifications. Nothing short of your talents, of those of your distinguished officers, and of the unparalleled bravery of your troops could have overcome such obstacles. Yet it is deeply to be regretted that your force was so small; for my part, I am satisfied that to this must be chiefly ascribed the great and most lamentable loss suffered by your army. I am convinced that if you had been enabled to enter the valley of Mexico with 20,000 men you would have attained all the objects in view with an inconsiderable loss; and that, under the circumstances in which you were placed, you did all that could or ought to have been done. Writing to you, I could not help expressing these sentiments, though the object of my letter has no reference to military operations.

I am quite sensible that you have not at present any time to bestow upon literary pursuits and inquiries; but among the civilians attached to the army I hope that there may be some

one to whom you may hand the enclosed memorandum, and who will take pleasure in complying with my request. You will perceive that my wish is to obtain grammars and vocabularies of the various languages of Mexico, and, indeed, every information which may throw light on their history and antiquities.

The bearer of this letter is Lieutenant Emory, a distinguished topographical engineer and lately appointed lieutenant-colonel of a regiment of volunteers. I beg leave to recommend him to you. He has in charge to be forwarded to you the first volume of the Transactions of the New York Ethnological Society, of which I am president. I think the volume will not be uninteresting to you, as it contains all we know with certainty of the languages, history, astronomy, and progress in art of the semi-civilized nations of Mexico and Central America. And it will show you how far I have already investigated the subject.

I do not wish to expend more than $400 for the objects stated in the memorandum, and I think I may request you to advance the amount, which I will repay in any way and to any person you may please to designate.

As peace must come at last, I wish to obtain some Mexican correspondent, known to be well versed in the languages and antiquities of the country, who should be willing to correspond with me, and afterwards with the Ethnological Society, on those subjects.

I am approaching my eighty-eighth year, write with difficulty, and am obliged to dictate. Accept the assurance of my most distinguished consideration, and believe me to be your faithful friend and servant.

[Enclosure.]

The occupation of the city of Mexico by the American army may afford an opportunity of procuring books and copies of documents which would be highly useful to those who occupy themselves with ethnological, antiquarian, and philological researches.

It is, therefore, my wish to procure as many printed grammars and vocabularies of the several languages spoken within the dominions of Mexico as can be obtained; not exceeding one

grammar, however, for each language. And with respect to those languages of which no grammar or vocabulary has been published, it would be desirable, if there be any manuscript one, to obtain a copy, provided the expense be not too great.

Heretofore the only languages of which I could procure grammars were the Mexican proper, or Aztec, the Ottomi, the Maya, and the Huasteca, spoken in the vicinity of Tampico, and which is allied to the Maya.

Besides these, ten or twelve others are said to be spoken south of latitude 25°, within the boundaries of the present Mexican confederacy. The most important are:

Totonaque, the language of the natives of Vera Cruz and its vicinity.

Tarasca, the language of the old kingdom of Michoacan.

The Mizteque and Zapoteque, spoken in Oaxaca.

The Mixe, spoken also (I believe) in Oaxaca.

Next in importance are, the Tlapaneque, spoken at Tlapa, about latitude 17°, longitude 96°–97°.

The Matlazincan, spoken at Toluca, in the vicinity of Mexico.

The Popoluque, spoken at Tlamachalco, situation not known.

Other names have also been mentioned, to wit: Core, Teotihuacan, Cakciquen, of which the situation is not known to me.

And there is also a distinct language spoken at the mouth and on the lower portion of the Rio del Norte, the name of which I do not know.

There are also in the ancient viceroy's palace some remnants of Boturini's collection, and among these, or collected from other sources, some chronological Mexican manuscripts representative of their ancient histories or legends, principally of the Toltecs and of the Aztecs. We have a copy of one of these already published in Lord Kingsborough's collection. As the expense of transcribing any of these would be very great, it is only in case any opportunity should offer to procure one on very reasonable terms that this should be attended to.

Enclosed is the list of the words of which we have a comparative vocabulary in the Mexican, Ottomi, Maya, and Yucatan languages.

GALLATIN TO COMMITTEE FOR SELECTION OF OFFICERS FOR PIUS IX. MEETING.

57 Bleeker St., November 27, 1847.

Gentlemen,—I had the honor to receive yesterday your letter of 24th instant, requesting my attendance at the meeting to be held on the 29th to express the sympathy with which the American people regard the efforts of Pius IX. and of the Italian people in behalf of constitutional liberty.

No one feels more sympathy for these efforts than I do. No one desires more earnestly that Italy may be released from foreign dominion and from arbitrary rule, and that the Italian people may enjoy the blessings of religious, political, and civil liberty. Nothing can be more gratifying, more worthy of admiration, than the noble and enlightened policy of Pius the Ninth. He has placed confidence in his own people, called them to his aid, and fearlessly restored to them the rights and legitimate powers of free citizens. These sentiments are universally those of the American people.

I am confined by a severe cold, and will not be able to attend the meeting; permit me to say that it would be inconsistent with my sense of propriety that I should appear to be vice-president of a meeting at which I was not present.

I beg leave to observe that my *name* has no weight abroad. If I was treated with consideration whilst employed in foreign missions, this was due to my official character and to the confidence with which I had been honored on these and other occasions by the people of the United States.

GALLATIN TO THOS. W. WARD.

New York, 10th December, 1847.

My dear Sir,—Your letter approving my peace pamphlet was extremely gratifying to me; and if you think it of any practical use, means must be adopted for its extensive circula-

tion, either in the pamphlet form, or through newspapers and other periodicals. We have already circulated 4000 copies of the pamphlet gratuitously. I supplied the funds, and we are now organizing a plan of subscription for this State, New Jersey, and Pennsylvania. But beyond these we must be assisted. I have had the pamphlet stereotyped, and we can supply any demand at 20 dollars per thousand copies.

We have to contend against tremendous odds. Every newspaper in the Union will publish the President's message, which will be read by one to two millions of individuals. The pamphlet will not be published entire in twenty newspapers (as yet in four,—Washington, New York, Utica, and Hartford).

The approximate number of white males above twenty-one years of age was, according to the census of 1840, about as follows:

The six New England States,	760,000		
New York, 790,000, New Jersey, 120,000	910,000		
Pennsylvania and Delaware,	500,000		
The six free-labor Western States and Territories, 910,000	970,000	3,140,000	
Add for greater ratio of increase, 60,000			4,500,000
The six Atlantic slave-holding States, Maryland to Florida,	670,000	1,360,000	
The seven Western do.	690,000		

Texas is not included; and, though but an approximation, the above is sufficient for ascertaining how the copies of the pamphlet should be distributed among the various sections of the country. The ratio of increase since 1840 is undoubtedly much greater in the West; but they have a much smaller number of readers in proportion to their population.

Now, supposing 90,000 copies of the pamphlet to be put in circulation and distributed gratuitously, they will cost but 1800 dollars; and the share of New England would be, in round numbers, 15 thousand copies, costing 300 dollars. But there will be other expenses to be incurred, such as transportation, compensation to religious periodicals, &c., and the desirable sum for New England would be 600 dollars. Now, what I have to ask is this: 1st, can you raise by subscription in Boston the said

sum of $600 for that purpose? 2dly, will there be found, in Boston or its vicinity, persons who will undertake to distribute in a proper manner the said 15,000 copies throughout the six New England States? of which, under existing circumstances, Maine is perhaps the most important.

If this be practicable, you will, in Boston and its vicinity, understand much better than I can the mode of distribution that will be most effective. As we are now organized in this city for the same general purpose, I may say that our object has been to select those who have most intelligence and influence.

We have accordingly concluded to send one copy to each clergyman of every denomination whatever (and I suppose that there must be at least 6000 in the six New England States); to each theological seminary, and to each seminary of learning, whether college or academy, a number of copies proportioned to their respective importance; to each member of the Legislature of every State, to each editor of newspapers or other periodical, and to each deputy postmaster, a copy.

You may have perceived that in my essay I have confined myself to moral feelings and arguments, and that I have abstained from making any allusion to fiscal considerations and money matters. I think that, if at peace, we should have nothing serious to apprehend in that respect. But if the war with Mexico is to be continued six months longer, at the same rate of expense and on the same principles as heretofore and as now recommended by the President; if, in consequence of this, the revenue on imports, of which nine-tenths are collected in four or five Atlantic seaports (after having been paid immediately on the landing of the merchandise, or on its being withdrawn from the public warehouses), after having been thus advanced, shall, instead of being distributed according to the natural laws of trade, continue to be immediately transferred to New Orleans, Mexico, or the other few places where the expenses are incurred, I do seriously apprehend the consequences. This may be still further aggravated if specie continues to be exported to Europe. I wish to have your opinion on those matters; but, in the mean while, do not mention my name as connected with such apprehensions. I have some weight in that respect, particularly as

relates to the maintaining of specie payments; and creating an alarm might hasten a catastrophe, which it is my earnest wish may be prevented. Yet, as material and tangible practical considerations have far more influence than appeals to justice and elevated feelings, some mode must be devised to make the people, and principally the members of Congress, aware of the dangers, not at all remote, to which they will be exposed by complying with the views and recommendations of the Executive. Reflect well upon this, and communicate your views to me.

I will thank you to let me know, as soon as possible, whether my wishes for the circulation and distribution of my peace essay can be fulfilled.

I remain, with great regard, your friend and servant.

GALLATIN TO EDWARD EVERETT.

New York, December 16, 1847.

Dear Sir,—I send you a copy of my pamphlet on peace with Mexico, and hope that your views on that subject coincide substantially with mine. If it be so, I earnestly wish your co-operation in having it properly distributed.

I am persuaded that the only moral element which can successfully counteract the spirit of conquest, cupidity, and false glory which has taken possession of the people of the United States, is the deep religious feeling which providentially still pervades the whole country. We are accordingly sustained almost universally by the clergy of every denomination in this city and its vicinity, and there is reason to hope that they will assist in promoting the object in view as far as is consistent with their profession and position.

Thus encouraged, a plan has been organized, in concert with some distinguished citizens, for a special distribution of 90,000 copies of the pamphlet, and a subscription has been made which will enable us to supply gratuitously the States of New York and New Jersey, and partly Pennsylvania and Delaware. Beyond

these limits we must be assisted; but, as the pamphlet has been stereotyped, we can supply any demand at the rate of $20 per 1000.

The approximate number of white male citizens of the United States above twenty-one years of age, as deduced from the census of 1840, may be estimated as follows:

The six New England States,		760,000	
New York, 790,000, New Jersey, 120,000,		910,000	
Pennsylvania and Delaware,		500,000	
The six free-labor Western States and Territories,	910,000	970,000	3,140,000
Add for greater ratio of increase,	60,000		
The six Atlantic slave-holding States, Maryland to Florida,		670,000	
The seven Western do.,		690,000	1,360,000
			4,500,000

The 90,000 copies would cost $1800, and the share of New England would be, in round numbers, 15,000, costing 300 dollars.

Now, what I have to ask is, 1st, can a sum be raised by subscription for that purpose? 2dly, will there be found, in Boston or its vicinity, persons who will undertake to distribute in a proper manner the said 15,000 copies throughout the six New England States? Under existing circumstances, Maine is, perhaps, the most important.

If this be practicable, you will, in Boston and its vicinity, understand much better than I can the mode of distribution that will be most effective. We have to contend against tremendous odds. Every newspaper in the Union will publish the President's message, and it will be read by one or two millions of people. The pamphlet will not be published entire in twenty newspapers. It is only by a special distribution, and by selecting those who have most intelligence and influence, that we can hope for success.

We have accordingly concluded here to send one copy to each clergyman of every denomination whatever; one copy also to each member of the Legislature of every State, to each editor of a newspaper or other periodical, and to each *village* deputy

postmaster; and to each theological seminary, as well as to every seminary of learning, whether college or academy, a number of copies proportioned to their respective importance. But I repeat that you understand, much better than I do, what may be the most effective mode for the New England States.

I am not vain enough to attach much importance to my essay, or to suppose that it will produce by itself any immediate or considerable effect; but I had two objects in view: 1st, to encourage, by coming fearlessly out, the numerous timid men who, though agreeing entirely with me, were afraid to incur by the avowal of their sentiments the charge of wanting patriotism; 2d, and principally, to call the attention of the virtuous and intelligent part of the community to the importance of the subject, to awaken them to the necessity of taking an active part and of using their influence in order to arrest by the force of public opinion (and of votes also) the mad, dangerous, and iniquitous plans of the President and his adherents.

I am quite aware that no immediate impression can be made on active party politicians, and still less on the members of Congress. But though I have confined myself to moral feelings and arguments, and have abstained from making any allusion to fiscal considerations and money matters, I well know that there will be a revulsion of public sentiment even among politicians whenever the evils of the war shall be felt by the people. It is most lamentable that we should be indebted for a considerable portion of our prosperity, for an immense influx of specie and great increase of revenue, to the dreadful calamity which afflicts Europe and principally the British Isles. Yet, if the war continues much longer, its evils will be most sensibly felt. Nine-tenths of the revenue derived from imports are collected in four or five Atlantic seaports, and must be paid immediately on the landing of the merchandise or on its being withdrawn from the public warehouses. And then, instead of being distributed with some equality through the several sections of the country, they are immediately transferred to Mexico, New Orleans, and the other few places where the expenses are incurred. The proceeds of the large loans which are required take the same course. And the greater part of this transferred capital never returns, being

in fact destroyed by the unproductive war expenses. The pressure on our merchants is already most severe, and, if the war continues only one year longer, will become intolerable.

I submit these considerations to you, and pray you to favor me with an early answer.

I embrace with pleasure this opportunity of reiterating the assurances of my most distinguished consideration and personal regard.

Your obedient and faithful servant.

GALLATIN TO WILLIAM MAXWELL.

New York, February 15, 1848.

Sir,—I write with great difficulty, and I become exhausted when I work more than four or five hours a day. Ever since the end of October all my faculties, impaired as they are, were absorbed in one subject; not only my faculties, but, I may say, all my feelings. I thought of nothing else. Age quod agis: I postponed everything else, even a volume of ethnography which was in the press; even answering the letters which did not absolutely require immediate attention. This is my apology for not having acknowledged sooner your very civil letter of December 20.

I pray you to return my thanks to the Virginia Historical Society for the mark of consideration and kind feelings shown to me by electing me an honorary member. It was most gratifying as coming from Virginia, and specially from Richmond. I need not allude to my intimate political and personal connections and friendship with so many of the most illustrious sons of Virginia during the course of a long public life. There are other recollections of an earlier date. I cannot complain of the world. I have been treated with kindness in every part of the United States where I have resided. But it was at Richmond, where I spent most of the winters between the years 1783 and 1789, that I was received with that old proverbial Virginia hospitality to which I know no parallel anywhere within the circle of my

travels. It was not hospitality only that was shown to me. I do not know how it came to pass, but every one with whom I became acquainted appeared to take an interest in the young stranger. I was only the interpreter of a gentleman the agent of a foreign house that had a large claim for advances to the State; and this made me known to all the officers of government and some of the most prominent members of the Legislature. It gave me the first opportunity of showing some symptoms of talent, even as a speaker, of which I was not myself aware. Every one encouraged me and was disposed to promote my success in life. To name all those from whom I received offers of service would be to name all the most distinguished residents at that time at Richmond. I will only mention two: John Marshall, who, though but a young lawyer in 1783, was almost at the head of the bar in 1786, offered to take me in his office without a fee, and assured me that I would become a distinguished lawyer. Patrick Henry advised me to go to the West, where I might study law if I chose, but predicted that I was intended for a statesman, and told me that this was the career which should be my aim; he also rendered me several services on more than one occasion. But I must stop; and if there be some egotism in what I have said, the feelings which I have expressed come at least from a grateful heart.

I remain, with high consideration, dear sir, your obedient and faithful servant.

The secretary of the Ethnological Society of New York will transmit the first volume of its Transactions to the Historical Society of Virginia. The second volume is in the press.

GALLATIN TO GARRETT DAVIS.

New York, February 16, 1848.

Dear Sir,—I felt highly gratified by the favorable opinion you expressed of my attempt to promote the restoration of peace with Mexico on principles consistent with justice. The war

cannot last much longer; but, with regret, I am compelled to say that most of the friends of peace care not what the terms may be, and that many, even of those who think that the war is unjust and was provoked by the United States, are imbued with the notion that our victories and conquests give us a right to extort from Mexico a part of its territory. Even General Taylor, whose military talents I admire, and whose character I respect, expresses a similar opinion in his letter to General Gaines. Have we, then, they say, fought, conquered, covered ourselves with glory, and all that for nothing? Even so; if you will be just, you have won the glory and nothing else. Yet I do not despair; for I have faith in our institutions and in the ultimate prevalence of truth. Indeed, even my essay (seeds thrown to the wind, some of which may fructify) has had a far greater circulation and has met with greater approbation than I had expected; and no one has attempted a direct refutation.

The lessons of history may not altogether be lost. Great Britain came out triumphant at the end of her long war against France, or rather against the French revolution. She was covered with glory, added Malta, the Ionian Islands, as many Dutch and French colonies as she pleased, to her dominion, dictated the conditions of a peace with her victorious army within the walls of her enemy's metropolis, and, for the sake of France, restored to her the legitimate dynasty. In the mean while she completed the subjugation of an empire,—of India. And what has she in reality gained? An addition of five hundred millions sterling to her former debts, which imposes an enormous weight of oppressive taxation on the people, and has already crippled her resources and her power. And the result of the apparent extension of her commercial monopoly has been to enrich the few, to impoverish the poor, and occasionally to throw one million of people out of employment.

What shall be said of the notion of an empire extending from the Atlantic to the Pacific, and from the North Pole to the Equator? Of the destiny of the Anglo-Saxon race, of its universal monarchy over the whole of North America? Now, I will ask, which is the portion of the globe that has attained the highest degree of civilization, and even of power,—Asia, with

its vast empires of Turkey, India, and China, or Europe, divided into near twenty independent sovereignties? Other powerful causes have undoubtedly largely contributed to that result; but this, the great division into ten or twelve distinct languages, must not be neglected. But all these allegations of superiority of race and destiny neither require nor deserve any answer; they are but pretences under which to disguise ambition, cupidity, or silly vanity.

I would be much gratified by a personal acquaintance with one whose great merit is well known to me. As you express a hope to that effect, it must be by your visiting this city; for now, in my eighty-eighth year, I travel no more. I would feel most happy to see you here, but it must not be deferred. Please to accept the assurance of my most distinguished consideration and personal regard. Your obedient and faithful servant.

GALLATIN TO HENRY A. MUHLENBERG.

New York, May 8, 1848.

Dear Sir,—A severe cold, which rendered me incapable of attending to any business, has prevented an earlier answer to your letter of the 12th of April.

Although I was at the time probably better acquainted with all the circumstances attending Mr. Jefferson's election than any other person, and I am now the only surviving witness, I could not, without bestowing more time than I can spare, give a satisfactory account of that ancient transaction. A few observations must suffice.

The only cause of real apprehension was that Congress should adjourn without making a decision, but without usurping any powers. It was in order to provide against that contingency that I prepared myself a plan which did meet with the approbation of our party. No appeal whatever to physical force was contemplated; nor did it contain a single particle of revolutionary spirit. In framing this plan, Mr. Jefferson had not

been consulted; but it was communicated to him, and he fully approved it.

But it was threatened by some persons of the Federal party to provide by law that if no election should take place, the Executive power should be placed in the hands of some public officer. This was considered as a revolutionary act of usurpation, and would, I believe, have been put down by force if necessary. But there was not the slightest intention or suggestion to call a convention to reorganize the government and to amend the Constitution. That such a measure floated in the mind of Mr. Jefferson is clear from his letters of February 15 and 18, 1801, to Mr. Monroe and Mr. Madison. He may have wished for such measure, or thought that the Federalists might be frightened by the threat.

Although I was lodging in the same house with him, he never mentioned it to me; I did not hear it even suggested by any one. That Mr. Jefferson had ever thought of such plan was never known to me till after the publication of his correspondence; and I may aver that under no circumstance would that plan have been resorted to or approved by the Republican party. Anti-Federalism had long been dead; and the Republicans were the most sincere and zealous supporters of the Constitution. It was that which constituted their real strength.

I always thought that the threatened attempt to make a President by law was impracticable. I do not believe that if a motion had been made to that effect there would have been twenty votes for it in the House. It was only intended to frighten us; but it produced an excitement out-of-doors, in which some of our members participated. It was threatened that if any man should be thus appointed President by law, and accept the office, he would instantaneously be put to death. It was rumored, and, though I did not know it from my own knowledge, I believe it was true, that a number of men from Maryland and Virginia, amounting, it was said, to fifteen hundred (a number undoubtedly greatly exaggerated), had determined to repair to Washington on the 4th of March for the purpose of putting to death the usurping, pretending President.

It was under those circumstances that it was deemed proper

to communicate all the facts to Governor McKean, and to submit to him the propriety of having in readiness a body of militia, who might, if necessary, be in Washington on the 3d of March, for the purpose not of promoting but of preventing civil war and the shedding of a single drop of blood. No person could be better trusted on such a delicate subject than Governor McKean. For he was energetic, patriotic, and, at the same time, a most steady, stern, and fearless supporter of law and order. It appears from your communication that he must have consulted General Peter Muhlenberg on that subject. But subsequent circumstances which occurred about three weeks before the 4th of March rendered it altogether unnecessary to act upon the subject.

There was but one man whom I can positively assert to have been decidedly in favor of the attempt to make a President by law. This was General Henry Lee, of Virginia, who, as you know, was a desperate character and held in no public estimation. I fear, from the general tenor of his conduct, that Mr. Griswold, of Connecticut,—in other respects a very worthy man,—was so warm and infatuated a partisan that he might have run the risk of a civil war rather than to see Mr. Jefferson elected. Some weak and inconsiderate members of the House might have voted for the measure; but I could not designate any one.

On the day on which we began balloting for President, we knew positively that Mr. Baer, of Maryland, was determined to cast his vote for Mr. Jefferson rather than that there should be no election; and his vote was sufficient to give us that of Maryland and decide the election. I was certain, from personal intercourse with him, that Mr. Morris, of Vermont, would do the same, and thus give us also the vote of that State. There were others equally prepared, but not known to us at the time. Still, all those gentlemen, unwilling to break up their party, united in the attempt, by repeatedly voting for Mr. Burr, to frighten or induce some of us to vote for Mr. Burr rather than to have no election. This balloting was continued several days for another reason. The attempt was made to extort concessions and promises from Mr. Jefferson as the conditions on which he might be elected. One of our friends, who was very erroneously and improperly afraid of a defection on the part of some of our

members, undertook to act as an intermediary, and, confounding his own opinions and wishes with those of Mr. Jefferson, reported the result in such a manner as gave subsequently occasion for very unfounded surmises.

It is due to the memory of James Bayard, of Delaware, to say that, although he was one of the principal and warmest leaders of the Federal party, and had a personal dislike for Mr. Jefferson, it was he who took the lead, and from pure patriotism directed all those movements of the sounder and wiser part of the Federal party which terminated in the peaceable election of Mr. Jefferson.

Mr. Jefferson's letter to Mr. Monroe, dated February 15, 1801, at the very moment when the attempts were making to obtain promises from him, proves decisively that he made no concessions whatever. But both this letter, that to Mr. Madison of the 18th of February, and some other of preceding dates afford an instance of that credulity so common to warm partisans, which makes them ascribe the worst motives, and occasionally acts of which they are altogether guiltless, to their opponents. There was not the slightest foundation for suspecting the fidelity of the post.

You may use such portions of this communication as you may think proper for the purpose of correcting or modifying what, in your life of General Peter Muhlenberg, you have to say on that subject. But I pray you to consider this communication, so far as I am concerned, as entirely confidential. My name must not be mentioned as your authority. I have enough to encounter in that which I think it my duty to write concerning the present or future state of the country, and I do not wish to be annoyed in my old age by discussions on past events, to which I attach, indeed, but little importance. When I am no more, you may do what you please with my letter. Permit me to add that, although I have not the pleasure of a personal acquaintance with you, there is, on my part, an hereditary friendship for all that bear the revered name of Muhlenberg.

Please to accept the assurance of my high consideration and regard, and believe me to be, dear sir, your faithful and obedient servant.

GALLATIN TO JOHN A. ROCKWELL, M.C.

NEW YORK, May 8, 1848.

DEAR SIR,—A severe cold prostrated me and rendered me incapable of attending to any business for seven weeks. But had I even enjoyed good health, I could not have undertaken the task of testing the correctness in all their details of the statements contained in your valuable speech. An impaired memory has compelled me for several years to give up statistics. The facts must be prepared for me, and the only faculty left is that of drawing from these legitimate inferences. I found fault accordingly with the reports of the Secretary of the Treasury as deficient in perspicuity, and as leaving it doubtful whether positive facts, which he ought to have known, were correctly stated. There is enough in your speech sufficiently indisputable to show that he has committed several blunders. I think that he wants an acquirement which is indispensable for a Secretary of the Treasury, a thorough knowledge of book-keeping. I had hoped that the Committee of Ways and Means would investigate the subject thoroughly, and give us a complete and perspicuous statement of the public finances. The most important point, if we have peace, is to ascertain the amount of our public debt.

I pray you to accept the assurance of my most distinguished consideration, and have the honor to be, dear sir, your most obedient servant.

END OF VOLUME II.

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